



County Offices
Newland
Lincoln
LN1 1YL

23 December 2020

In accordance with the powers granted by the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 this will be a virtual meeting.

Executive

A meeting of the Executive will be held on **Tuesday, 5 January 2021 at 10.30 am as a Virtual - Online Meeting via Microsoft Teams** for the transaction of the business set out on the attached Agenda.

Access to the meeting is as follows:

Members of the Executive and officers of the County Council supporting the meeting will access the meeting via Microsoft Teams.

Members of the public and the press may access the meeting via the following link: <https://lincolnshire.moderngov.co.uk/ie/ListDocuments.aspx?CId=121&MId=5750&Ver=4> where a live feed will be made available on the day of the meeting.

Yours sincerely

A handwritten signature in black ink that reads 'Debbie Barnes'.

Debbie Barnes OBE
Chief Executive

Membership of the Executive
(8 Members of the Council)

Councillor M J Hill OBE, Executive Councillor for Resources and Communications (Leader of the Council)

Councillor Mrs P A Bradwell OBE, Executive Councillor for Adult Care, Health and Children's Services (Deputy Leader)

Councillor C J Davie, Executive Councillor for Economy and Place

Councillor R G Davies, Executive Councillor for Highways, Transport and IT

Councillor E J Poll, Executive Councillor for Commercial and Environmental Management

Councillor Mrs S Woolley, Executive Councillor for NHS Liaison and Community Engagement

Councillor C N Worth, Executive Councillor for Culture and Emergency Services

Councillor B Young, Executive Councillor for Community Safety and People Management

**EXECUTIVE AGENDA
TUESDAY, 5 JANUARY 2021**

Item	Title	Forward Plan Decision Reference	Pages
1	Apologies for Absence		
2	Declarations of Councillors' Interests		
3	Announcements by the Leader, Executive Councillors and Executive Directors		
4	Minutes of the Meeting of the Executive held on 1 December 2020		5 - 8
KEY DECISIONS - ITEMS TO BE RESOLVED BY THE EXECUTIVE			
5	Council Budget 2021/22 <i>(To receive a report from the Executive Director – Resources which seeks approval for the proposals on the Council's budget for 2021/22, as set out in the report for internal and external consultation)</i>	I020062	9 - 62
ITEMS REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEES			
6	Final Report from the Developer Contributions Scrutiny Review <i>(To receive a report from the Executive Director – Resources which invites the Executive to consider the recommendations of the scrutiny review report and make arrangements for responding to the report)</i>	-	63 - 90

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Please Note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

All papers for council meetings are available on:

<https://www.lincolnshire.gov.uk/council-business/search-committee-records>



**EXECUTIVE
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PRESENT: COUNCILLOR M J HILL OBE (LEADER OF THE COUNCIL)

Councillors Mrs P A Bradwell OBE (Executive Councillor for Adult Care, Health and Children's Services) (Deputy Leader), C J Davie (Executive Councillor for Economy and Place), R G Davies (Executive Councillor for Highways, Transport and IT), Mrs S Woolley (Executive Councillor for NHS Liaison and Community Engagement), C N Worth (Executive Councillor for Culture and Emergency Services) and B Young (Executive Councillor for Community Safety and People Management).

Councillor R B Parker (Chairman of the Overview and Scrutiny Management Board) was also in attendance.

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Andrew Crookham (Executive Director Resources), James Drury (Executive Director Commercial), Cheryl Evans (Democratic Services Officer), Glen Garrod (Executive Director - Adult Care and Community Wellbeing), Michelle Grady (Assistant Director for Strategic Finance), Andy Gutherson (Executive Director Place), Professor Derek Ward (Director of Public Health) and Nigel West (Head of Democratic Services and Statutory Scrutiny Officer).

28 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor E J Poll (Executive Councillor for Commercial and Environmental Management).

It was also noted that Heather Sandy (Executive Director – Children's Services) had submitted her apologies for absence.

29 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations made.

30 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

Executive Councillor for Economy and Place

Councillor C J Davie, the Executive Councillor for Economy and Place, reported that the flood alleviation scheme near Digby was nearing completion, which would protect 58 properties. The Council was preparing a bid to the Government in January 2021 for additional funding from a recently announced allocation of £150 million for flood

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1 DECEMBER 2020

and coastal resilience. Reports were also being compiled on the current 190 flooding investigations.

Executive Councillor for Highways, Transport and IT

Councillor R G Davies, the Executive Councillor for Highways, Transport and IT, reported that the Department for Transport had given the North Hykeham Relief Road 'programme entry' status, which had secured a grant of £110 million towards the costs of the scheme.

31 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 3 NOVEMBER 2020

RESOLVED

That the minutes of the meeting of the Executive held on 3 November 2020 be confirmed as a correct record and signed by the Leader.

32 DIRECTOR OF PUBLIC HEALTH'S ANNUAL REPORT 2020

The Director of Public Health presented his annual report, entitled *The Impact of Covid-19 on Lincolnshire*, which focused on the impact of Covid-19 from March 2020 to date. The report made reference to the strength of the multi-agency response in Lincolnshire; the plans for the remainder of the winter 2020/21; the recovery activity in the medium to long term; and the demographic challenges of Lincolnshire's older than average population.

In particular, reference was made to the long term impacts of Covid-19, such as depression, anxiety, loneliness and fatigue; as well as the economic impacts of lost income and reduced opportunities, especially for younger adults.

The Director of Public Health and his team were thanked for their work during the Covid-19 pandemic, for example working with partners on the sourcing of personal protective equipment.

The following points were clarified:

- The Lincolnshire system was prepared to begin the vaccination programme, once any vaccine had been approved by the Medicines and Healthcare Products Regulatory Agency.
- Those working or living in residential care homes and NHS front line staff would be given priority to receive any vaccine, thus offering a degree of protection to those in vulnerable and at risk groups.
- The vaccination programme was likely to begin in December 2020, but was expected to accelerate from January 2021 onwards.
- Coronaviruses were less likely to mutate as much as influenza viruses, but it was too early to say how long any Covid-19 vaccine would offer protection.

- The rate of Covid-19 infection in Lincolnshire had peaked between 17 and 19 November 2020 and the current overall trajectory of the infection rate was downwards, with some localised differences in district council areas expected.

RESOLVED

That the Annual Report from the Director of Public Health be received and published.

33 REVENUE BUDGET MONITORING REPORT 2020/21 - QUARTER 2 (TO 30 SEPTEMBER 2020)

The Executive Director – Resources referred to the Chancellor of the Exchequer's spending review of 25 November 2020, which had included announcements on a public sector pay freeze; the ability for councils to levy a 3% adult social care precept for 2021/22; a 2% increase on general Council Tax; provision for Council Tax losses arising from the Covid-19 pandemic; and a grant of £300 million nationally for children and adult social care.

The Assistant Director – Strategic Finance presented a report on *Revenue Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020*. An underspend of £1.9 million (excluding schools and Covid-19) had been forecasted for 2020/21, which represented an improvement of over £5 million compared to the forecast in the previous quarter. The variances to budgets had been detailed in the report and were explained to the Executive.

A forecast underspend on capital financing charges of £7.9 million had not been included in the £2.0 million forecast, as this sum would be earmarked to manage fluctuations in the capital financing budget.

There was also an assumption that the Council's forecasted Covid-19 position would be contained within the Government emergency grant, forecasting an overall surplus of £7.7 million.

Councillor R P Parker, the Chairman of the Overview and Scrutiny Management Board, highlighted to the Executive the main points in the Board's statement to the Executive.

The following points were clarified:

- No funding had been allocated by the Government to local authorities to provide support to businesses, but the position could change.
- There were plans to address and control the budget variances in children's services.

RESOLVED

That the current position on the revenue budget be noted.

**34 CAPITAL BUDGET MONITORING REPORT 2020/21 - QUARTER 2 TO
30 SEPTEMBER 2020**

The Assistant Director – Strategic Finance presented a report on *Capital Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020*. The current forecasted position was an underspend of £5.4 million. Some variances were highlighted on major schemes, such as the Lincoln Eastern Bypass; and the Grantham Southern Relief Road.

Councillor R P Parker, the Chairman of the Overview and Scrutiny Management Board, highlighted to the Executive the main points in the Board's statement to the Executive.

Further to the Board's comments, it was suggested that consideration should be given to the member oversight of capital schemes, and the lessons learned, to complement the progress made by officers, including the work of the officer-led capital review group.

RESOLVED

That the position on the capital programme be noted.

The meeting closed at 11.25 am.



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Executive
Date:	05 January 2021
Subject:	Council Budget 2021/22
Decision Reference:	I020062
Key decision?	Yes

Summary:

This report outlines budget proposals for the next financial year 2021/22. The Provisional Local Government Finance Settlement for 2021/22 was issued on 17 December 2020, and is expected to be in line with the Final Settlement, which is due to be published in February 2021. We await further budgetary information from the Lincolnshire District Councils so the budget proposals for 2021/22 are therefore estimated at this stage.

The Executive is asked to approve the proposals for the Council's budget for 2021/22, set out in this report and based on these estimates, for internal and external consultation.

Recommendation(s):

That the Executive approves the budget proposals described in this report as its preferred option for the purposes of further consultation.

Alternatives Considered:

1. The proposals for the Revenue Budget, Capital Programme and Council Tax as described in this report.
2. Higher levels of spending and consequently a higher level of Council Tax next year.
3. Lower levels of spending and consequently a lower level of Council Tax next year.

Reasons for Recommendation:

The recommended option takes account of the anticipated levels of

Government grant and Business Rates funding to the Council and allows for an increase in Council Tax of 1.99%.

The budget includes unavoidable cost pressures which will support the delivery of Council services, and a number of savings which do not impact negatively on services. The recommendation is for a one year budget for the financial year 2021/22, which takes account of the expected reforms to local authority funding from April 2022. The recommended option currently presents a surplus budget of £1.921m, although this may become a deficit budget once all budgetary information has been received by the end of January 2021. If the final position is a deficit budget, then a contribution from reserves will be used to balance the budget for 2021/22.

1. Background

The Medium Term Financial Strategy

- 1.1 A new Medium Term Financial Strategy was approved last year, and has supported our budget setting process this year. The Strategy is being refreshed with minor changes and will be included with the report for the meeting of the Executive on 2 February 2021.

The Budget Process

- 1.2 This year's budget process started in the spring of 2020 with a re-assessment of our high level budget assumptions. Following this, budgets have been examined in detail and a number of new cost pressures have emerged in addition to the pressures identified for 2021/22 in the previous year's budget process. In some areas, savings have also been found, with no negative impacts from these on service delivery. As this year has progressed, our assumptions have been refined as new information has emerged.
- 1.3 In terms of budget holder input, the budget process has finished and we received confirmation of next year's funding from central Government in the form of the Provisional Local Government Finance Settlement on 17 December 2020. Following this, the Final Local Government Finance Settlement is expected to confirm the Provisional Settlement in February 2021, and at the end of January 2021 we will receive confirmation of Council Taxbase and Collection Fund balances from our local District Councils. Once all of this information has been received, the budget proposals for 2021/22 will be confirmed at the meeting of the Executive on 2 February 2021.

Spending Review 2020

- 1.4 The Spending Review (SR2020) results were announced by the Chancellor of the Exchequer on 25 November 2020. This was a spending review covering one year only to reflect the uncertainties caused by the coronavirus pandemic. The Office for Budget Responsibility has published economic forecasts alongside the SR2020 and these show that spending, public

sector debt and the budget deficit are all much higher than forecast in March 2020 and that the UK economy is set to contract significantly this year.

1.5 As expected, the SR2020 confirmed a "roll-over" settlement for local authorities. The Chancellor has ruled out returning to a programme of austerity to tackle the budget deficit, which is an indication that significant cuts in spending will not be required over the medium term. However the Chancellor announced a pay freeze for most public sector employees in 2021/22, the exceptions being National Health Service staff and public sector employees with a full time basic salary of up to £24,000. This latter group will receive a flat uplift of £250. The Council's position is that pay awards are negotiated, so this provides an indication of what may be agreed for our employees. Other announcements included:

- An overall real terms increase in core spending power in 2021/22 of 4.4%, (but the sector is still worse off in real and cash terms compared to in 2010/11);
- The National Living Wage will increase to £8.91 per hour from April 2021 for people aged 23 years and over. This has been factored into our cost pressures.
- Councils providing Adult Social Care services can again charge an adult social care precept of up to 3% in 2021/22, which can be deferred to 2022/23;
- The referendum limit will remain at 2% for general council tax. This means that a total council tax increase of up to 5% can be charged by Councils providing Adult Social Care services;
- Revenue Support Grant will be inflated by 0.55%;
- £300m of new Social Care Support grant will be allocated to Councils providing Social Care services. This has been announced for 2021/22 only but our experience over the last two years shows that Social Care Support grant does continue so we have assumed that it will be in place for the remainder of this parliament;
- There will be a Tax Income Guarantee Scheme which will fund 75% of unrecoverable council tax and business rates losses in 2021/22;
- A number of other specific grants will be received, although the amounts are not yet known. These include grants for: Troubled Families; additional school transport capacity; capital funding for maintaining and expanding children's homes; capital funding for local roads maintenance covering potholes, congestion and boosting connectivity, capital funding for cycle routes.

1.6 The coronavirus pandemic has impacted significantly on the 2020/21 financial year, and central Government has provided grant funding to cover our costs and losses arising directly from the pandemic. It is assumed that where direct impacts carry on into 2021/22 these will continue to be funded in full by Government grant. As an example, we expect that pressures will continue in adult social care. The Spending Review 2020 announcement confirmed that there would be funding in 2021/22 to cover continuing coronavirus costs and losses.

Provisional Local Government Finance Settlement

1.7 The provisional settlement announced on 17 December 2020 confirmed the following funding streams for the Council in 2021/22:

- Our share of the £300m new Social Care Support grant was confirmed at £5.364m, which is higher than we had anticipated by £0.964m;
- Rural Services Delivery Grant – our allocation is £7.277m, which is higher than we had anticipated by £0.342m;
- New Homes Bonus grant – our allocation is £1.469m, which is lower than we had anticipated by £0.570m ;
- Revenue Support grant – our allocation is £20.580m, which is slightly higher than we had anticipated by £0.001m ;
- Business Rates Top-Up grant – our allocation is £91.302m, which is lower than we had anticipated by £0.502m.

1.8 These confirmations of funding were largely in line with our estimates, but we also received confirmation of additional funding of £5.354m for Local Council Tax Support. We had not planned for this new grant, but anticipate that it will be required to cover reduced funding from Council Tax, arising from a lower Council Taxbase and / or a Council Tax Collection Fund deficit due to the impact of the pandemic. This is now the biggest risk to our budgetary position next year, and the impact will not be confirmed until after 31 January 2021 when the Lincolnshire District Councils report their budget figures to us.

1.9 Other confirmations received in the provisional settlement were:

- The council tax referendum limit will be 2% for general council tax increases and 3% for a further Adult Social Care precept which can be deferred to 2022/23;
- There will be £1.55bn of funding for Covid-19 cost pressures next year and our share of this is £15.159m;
- We can continue to claim grant to cover part of our Covid-19 related losses on sales, fees and charges for the first quarter of next year;
- The Integrated Better Care Fund and our existing Social Care Support grant will continue at the existing level into next year;
- There will be a Tax Income Guarantee Scheme to support 75% of irrecoverable losses on Council Tax and Business Rates arising from the pandemic. This is £762m nationally and we expect to see more detail on this at the end of January 2021;
- There will be some additional funding to cover the cost of increased audit fees to support the Government's response to the Redmond Review on Local Authority Financial Reporting and External Audit. This is £15m nationally and we await further details.

Local Government Funding Reform

- 1.10 Members will be aware that central Government planned to implement significant funding reforms for the sector. There are two streams to these reforms: the Review of Relative Needs and Resources (formerly known as the Fair Funding Review), and 75% Business Rates Retention. These reforms were originally due to be implemented from April 2020, and were later deferred to April 2021. Earlier this year, government announced a further deferral until April 2022 so that the focus this year could be on supporting local government in the face of the coronavirus pandemic.
- 1.11 In view of the continuing financial uncertainties about our future levels of funding, a one year budget is proposed for 2021/22.

The Medium Term Financial Plan

- 1.12 At this point in time, the Medium Term Financial Plan shows that although we can achieve a balanced budget in 2021/22, in each of the following two years we will have a budget shortfall which will need to be supported by reserves to achieve a balanced budget. However, this is prior to receiving the Lincolnshire District Councils confirmation of Council Taxbases and Collection Fund positions, and prior to expected reforms to local government funding affecting Business Rates and Revenue Support Grant from 2022/23.
- 1.13 Our key assumptions within the Medium Term Financial Plan are shown in Appendix A and will be amended as new information on our future funding is received. Currently, in 2021/22 there will be a budget surplus of £1.921m, in 2022/23 this becomes a budget shortfall of £5.734m, and in 2023/24 there will be a budget shortfall of £8.766m. The main driver for the increasing budget shortfall over the three years is the impact of lower inflation assumptions on Business Rates. The Financial Volatility reserve currently stands at £52.683m, which is sufficient to support the deficits in the two future years however, as stated above, these figures will change once we know our Council Taxbase and Collection Fund positions. At this point in time, the three year view indicates that a total of £14.500m would need to be drawn from the Financial Volatility reserve to balance the budget over the medium term and this would leave £38.183m remaining in the reserve.

1.14 The current position for 2021/22 is shown in Table A:

Table A – Summary Revenue Budget

SUMMARY REVENUE BUDGET	2021/22 £m
EXPENDITURE:	
Net Base Budget	489.894
Cost Pressures (<i>including inflation</i>)	26.717
Savings & Additional Income	-14.645
Other Movements (PH Grant & BCF Grant)	0.817
Total Expenditure	502.783
Use of Reserves	1.921
Transfer to/from General Reserve	0.200
Budget Requirement	504.904
INCOME:	
Business Rates Local Retention	120.353
Revenue Support Grant	20.580
Other Grants	44.416
County Precept	319.555
Total Income	504.904

Revenue Budget 2021/22

1.15 Table A above shows our overall proposed budget for 2021/22 at this point in time, with a budget requirement of £504.904m assuming that the current surplus is transferred to reserves (the budget requirement was £492.615m in 2020/21 so this is an increase of 2.5%). The changes in our anticipated funding are explained in paragraphs 1.20 to 1.31 below.

1.16 Inflation has been added into the 2021/22 totalling £2.737m. Part of this sum relates to the adjustment required to budgets to allow for the 2.75% pay award in 2020, which was above the level budgeted for.

1.17 A number of unavoidable cost pressures have been added into the proposed budget, totalling £26.717m, and these are summarised in Appendix B. The most significant of these are:

Adult Care and Community Wellbeing

- £2.856m in respect of the financial rate paid to providers of mental health and learning disability services, which increases each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the three year residential contracts and/or the homecare prime provider contracts.
- £3.094m in respect of the financial rate paid to providers of older peoples care and physical disability services, which increases each year to reflect changes in inflation, National Living Wage etc. The rate is encompassed in the three year residential contracts and/or the homecare prime provider contracts.
- £1.931m reflecting that demand for adult specialties continues to increase with between 2.3% - 2.9% for learning disability and mental health long term care respectively.

- £1.801m in respect of inflation and demographic growth for Homecare, Direct Payment and Day Care placements, and for National Living Wage increases.
- £1.163m - the Executive received a report in February 2020 detailing the Mental Health Section 75 agreement. Based on demand to date and projected forward, this agreement included cost projections of £9.600m. The Executive agreed to fund £1.400m in addition to the £1.163m funded through the Better Care Fund. This increased cost pressure is therefore funded via Better Care Fund income shown below.
- All of the Adult Care and Community Wellbeing cost pressures will be funded by either increased income, increased grant funding or by re-designating existing budgets.

Children's Services

- £2.000m for Looked After Children: contributing factors include an increase in looked after children; a shift in placement compositions from internal foster carer arrangements to more external placements, some of which are specialist placements that incur a significantly greater unit cost, and market forces within the external looked after children sector. The position is reflective of pre-Covid-19. The cost pressure is to re-base the budget to current spending levels (pre-Covid-19). Steps continue to be in place to mitigate and manage escalation of needs, and further work is underway on placement planning to mitigate further cost rises, which is managed through the Valuing Care project within the transformation programme. Lincolnshire's benchmarked looked after children numbers per 10,000 of the population is at 43 per 10,000, compared to nationally in the prior year of 65 (March 2020). CIPFA LAC benchmarking for Local Authority participants showed Lincolnshire's average looked after child placement costs (2019) to be £41,555 p.a. compared to the average of other Local Authorities of £53,287.
- £2.000m for Home to School Transport - rebase of budget to planned spending levels in 2019/20 academic year. The increased costs related to contractual inflationary pressures within mainstream transport; increase in SEND pupils resulting in increased eligibility for transport to mainstream school, and an increase in complexity of pupils requiring more specialised and lone transport.
- £1.000m for Home to School transport re Special Schools – the One School One Operator (OSOP) model: the specifics of the contract (payment mechanism) and changing pupil requirements (both in terms of needs and their location) has resulted in the Local Authority undertaking a review of the payment mechanism.
- £2.189m for Home to School transport – various items, including: Public Service Vehicle Accessibility Regulations (PSVAR): vehicles need to be compliant with Schedule 1 of the Regulations which require the vehicle to be wheelchair accessible when Local

Authorities sell spare seats on transport vehicles (£0.600m); anticipated growth in SEND transport costs for 2021/22. A review is taking place within this area through the transformation programme, as well as the Building Communities of Specialist Provision Strategy, which are both anticipated to make a positive impact on transport spending from 2022/23, i.e. cost avoidance, however time is required to embed these new practices (£0.250m); Inflationary rises in the delivery of general transport provision (2%) (0.428m); National Living Wage increase for drivers. The NLW has been updated to reflect the April 2021 rate of £8.91 (£0.281m).

Place

- £1.100m for the increased cost of the Mixed Dry Recycling Contract reflecting market conditions on the award of the new contract effective from July 2020.

Other Budgets

- £1.300m for the Local Government Pension Scheme Lump Sum Deficit.
- £1.400m in respect of reduced investment income due to interest rates falling.

1.18 Budgetary savings and increased specific grant income are also summarised in Appendix B, and total £13.828m. The most significant of these relate to:

Adult Care and Community Wellbeing

- £3.368m - winter pressures funding forms core improved Better Care Fund grant from 2020/21. These monies are proposed to support the underlying rate and demand pressures for adult social care contained in the pressures section above.
- £1.601m for the proportionate increase of income from service user contributions in relation to annual uplift of benefits.
- £1.500m relating to moving existing service users across to the minimum income guarantee for non-residential care as well as all new entrants to adult social care commencing on the minimum income guarantee rate.
- £1.205m for the increase in Public Health grant in 2020/21 not previously budgeted for.
- £1.163m - underlying demand levels funded recurrently from Better Care Fund. Additional funding received Dec 2019 and not adjusted for in base budget. To fund Mental Health costs within Community Care Packages shown in cost pressures.

Other Budgets

- £4.332m in capital financing charges. This is a one year only saving reflecting slippage on the capital programme in 2019/20 and 2020/21.

1.19 The table below shows the Net Revenue Budget by service area for 2021/22 at this point in time, with comparative budgets for 2020/21.

Table B – Net Revenue Budgets by Service

REVENUE EXPENDITURE			
2020/21 BUDGET	REVENUE BUDGETS	2021/22 BUDGET CHANGES	2021/22 PROPOSED BUDGET
£		£	£
SERVICE DELIVERY			
40,123,628	Children's Education	5,265,385	45,389,013
73,869,447	Children's Social Care	2,926,044	76,795,491
118,876,574	Adult Frailty & Long Term Conditions	1,148,971	120,025,545
81,006,840	Adult Specialities	5,328,051	86,334,891
28,468,066	Public Health & Community Wellbeing	153,565	28,621,631
46,174,210	Communities	1,707,655	47,881,865
340,689	Lincolnshire Local Enterprise Partnership	3,416	344,105
3,609,951	Growth	27,801	3,637,752
22,627,119	Highways	191,931	22,819,050
21,821,169	Fire and Rescue & Emergency Planning	490,811	22,311,980
3,545,107	Public Protection	943,613	4,488,720
22,849,505	Resources	562,640	23,412,145
37,382,606	Commercial	1,214,712	38,597,318
2,865,384	Corporate Services	90,603	2,955,987
-32,340,600	Public Health Grant Income	-1,205,537	-33,546,137
-47,022,878	Better Care Funding	-5,210,463	-52,233,341
424,196,817	Total Delivery Hierarchy	13,639,198	437,836,015
SCHOOLS BUDGETS			
454,763,789	Schools Block	0	454,763,789
91,982,435	High Needs Block	0	91,982,435
3,728,205	Central School Services Block	0	3,728,205
42,131,646	Early Years Block	0	42,131,646
-595,281,990	Dedicated Schools Grant	0	-595,281,990
-2,675,915	TOTAL SCHOOLS BUDGETS	0	-2,675,915
OTHER BUDGETS			
3,000,000	Contingency	0	3,000,000
45,694,177	Capital Financing Charges	-4,032,231	41,661,946
19,679,208	Other	3,282,323	22,961,531
68,373,385	TOTAL OTHER BUDGETS	-749,908	67,623,477
489,894,287	TOTAL NET EXPENDITURE	12,889,290	502,783,577
2,572,245	Transfer to/from Earmarked Reserves	-651,362	1,920,883
150,000	Transfer to/from General Reserves	50,000	200,000
492,616,532	BUDGET REQUIREMENT	12,287,928	504,904,460
MET FROM:			
123,271,058	Business Rates Local Retention	-2,917,323	120,353,735
20,466,718	Revenue Support Grant	113,180	20,579,898
34,016,803	Other Non Specific Grants	10,399,314	44,416,117
314,861,953	County Precept	4,692,757	319,554,710
492,616,532	TOTAL MET FROM	12,287,928	504,904,460

Note: detailed budgets are still being worked on so there may be some changes on individual lines in the above table. These will be finalised in the Council Budget 2021/22 report to the Executive in February.

Revenue Support Grant 2021/22

1.20 Our Revenue Support Grant, which is the Government's General Grant funding for councils, will be £20.580m in 2021/22.

Other Revenue Government Grants 2021/22

1.21 The table below summarises our other non-ringfenced Revenue Grants and the amounts confirmed for these in 2021/22. As stated in paragraph 1.5 above, some new specific grants were announced in the Spending Review statement, however these are not shown in the table below and the amounts are not yet known.

Table C – Other Government Grants

Other Government Grants	Amount 2020/21 £000's	Amount 2021/22 £000's
Social Care Support Grant	20,485	25,849
Rural Services Delivery Grant	6,935	7,277
Local Council Tax Support Grant	0	5,354
Independent Living Fund	1,554	1,515
New Homes Bonus Grant	2,091	1,469
Fire Pensions	1,437	1,437
School Improvement Grant	649	649
Extended Rights to Free Travel	639	639
Inshore Fisheries Conservation	128	128
Virtual School Head	98	98
Other Government Grants	34,016	44,415

Council Tax 2021/22

1.22 It is assumed at this point in time that Council Tax will be increased by 1.99% in 2021/22 for general council tax. The referendum threshold limit for 2021/22 is 2.00%, which will be confirmed in the Final Local Government Finance Settlement, so this is within the proposed referendum limit. We will have the ability to raise an Adult Care Precept of up to 3.00% in 2021/22 but we can also defer this to 2022/23.

1.23 It is estimated that a Council Tax increase of 1.99% will generate additional income of £6.203m based on the Council Taxbase for the current year. The assumed increase in Council Taxbase will generate a further £1.683m of income. Together these increases total £7.886m in 2021/22. By way of illustration, a 1.0% increase in Council Tax would generate £3.132m of additional income based on the Council Taxbase for the current year.

- 1.24 The final figures on the Council Taxbase and any surpluses or deficits on the Council Tax element of the Collection Fund will not be received from Lincolnshire District Councils until 31 January 2021. We have received indicative Taxbase figures from six of the seven District Councils and have assumed a marginal increase in Taxbase for 2021/22, which is lower than our usual assumption of Taxbase growth. This is due to the likely impact of Covid-19 on the collectability of Council Tax in 2020/21 which will impact on 2021/22. The effect of this reduction in Taxbase is included in the figures for additional Council Tax income in paragraph 1.23.
- 1.25 The Council Tax Collection Fund surplus in 2020/21 was £3.193m but we have assumed that there will be no surplus in 2021/22 as a result of the Covid-19 impact described in the preceding paragraph. The final information on Taxbase changes and any surplus or deficit on the Council Tax Collection Fund will be reported to the Executive at its meeting on 2 February 2021, together with the impact on funding that this will have. We are expecting a loss to be reported but have not yet factored this into the Medium Term Financial Plan due to uncertainty about the likely impact. The Provisional Local Government Finance Settlement confirmed that the government will provide grant funding in 2021/22 to cover 75% of irrecoverable council tax losses, but it is not yet known how this scheme will work. The government had previously announced that councils would spread a Council Tax Collection Fund loss in 2021/22 over three years. The Provisional Local Government Finance Settlement also confirmed that we would receive £5.354m of Local Council Tax Support grant next year.
- 1.26 An Equality Impact Analysis will be completed for the proposed increase in Council Tax. This will be reported back to the Executive at its meeting on 2 February 2021.

Business Rates 2021/22

- 1.27 The District Councils have until 31 January 2021 to provide business rates returns showing:
- the position on the business rates element of the collection funds; and
 - the value of the section 31 compensation grant due to the County Council.

At the time of preparing this report, the Council had not received notification of provisional Business Rates Collection Fund positions from any of the seven District Councils. Any surplus or deficit from business rates collection will only have a one off effect on the 2021/22 budget. The current working assumption within the budget presented in this report is that there will be neither a surplus nor a deficit for the total business rates collection fund, however it is likely that the Covid-19 pandemic will have negatively affected the collectability of Business Rates in 2020/21 which will impact on 2021/22. The Provisional Local Government Finance Settlement announcement confirmed that the government will provide grant funding in 2021/22 to cover 75% of irrecoverable Business Rates losses, but it is not yet known how this scheme will work. We have an earmarked reserve for Business Rates

Volatility, which stands at £6.152m and this could also be used to help cover any loss.

- 1.28 It is expected that the Government will compensate local authorities in full for the continuation of the business rates cap, small business rates relief and rural rate relief by way of a section 31 grant, as in previous years. The Spending Review announcement also confirmed that the business rates multiplier (which is the factor by which business rates increase each year) will be frozen for 2021/22 but local authorities will be compensated in full for this loss by way of a section 31 grant.
- 1.29 At the time of preparing this report the Council had not received provisional notification from any of the District Councils in respect of section 31 grants. An assumption has been made that the total of business rates section 31 grants for 2020/21 will be in the region of £7.297m but the actual amount cannot be confirmed until the end of January.
- 1.30 A Business Rates Pool will continue to operate in 2021/22, but we have assumed for now that there will be no pooling gain next year due to the uncertainties around the impact of the pandemic on Business Rates as a whole.
- 1.31 An update will be tabled at the Executive meeting on 2 February 2021 on all aspects of business rates funding once returns have been received from all of the Lincolnshire District Councils.

Financial Risks

- 1.32 There are a number of risks which may impact on the budget for 2021/22 and we have taken a realistic, but prudent approach to our estimates. Appendix A shows the key assumptions we have used and gives an indication of what the financial impact would be if our assumptions were different by 1%.
- 1.33 The assumptions which currently pose the most significant risks are:
- We have assumed cost neutral Collection Fund positions i.e. neither a surplus or deficit at this stage – this is a significant risk;
 - The final figures for Council Taxbase and Business Rates, which will be received from the District Councils by 31 January 2021 – this is a significant risk;
 - We expect that some cost pressures related to Covid-19 will continue into 2021/22 and our assumption is that these will be fully covered by the government grant announced and detailed in paragraph 1.9. We will aim to include more information about these on-going pressures in the report to the Executive on 2 February 2021, including a quantification of the estimated total amount.
 - Our ability to deliver on savings in future years. Although such savings are not shown in this report, they are included in the Medium Term Financial Plan.

Reserves

- 1.34 Our General Reserves currently stand at £16.050m. The purpose of our General Reserves is to cover known financial risks and our strategy is to maintain these reserves at a level which is between 2.5% and 3.5% of the budget requirement each year. Our budget proposals currently include a contribution to reserves of £0.200m which would take the level of General Reserves up to £16.250m (3.2% of the budget requirement at this point in time). Some last minute adjustments may be required when our funding for 2021/22 is confirmed.
- 1.35 The Financial Volatility earmarked reserve position is covered in paragraph 1.13 above.
- 1.36 A review of Adult Care and Community Wellbeing reserves has confirmed £23.000m of uncommitted funding which can be used to support volatility in future Adult Care budgets, recognising the continuing demands in this area.

The Capital Strategy

- 1.37 A Capital Strategy 2020/21 was approved last year, and has supported our budget setting process for the capital programme this year. The Strategy is being refreshed for 2021/22 and will be included with the report for the meeting of the Executive on 2 February 2021.

Capital Programme

- 1.38 A ten year Capital Programme has been compiled in line with the principles set out in our Capital Strategy, including the principle of Affordability. The full Gross Programme is shown at Appendix C and totals £204.302m for 2021/22 plus a further £322.097m for future years. After grants and contributions are taken into consideration, we have a Net Programme of £111.283m for 2021/22 plus a further £282.808m for future years.
- 1.39 The capital programme net budget has increased since last year's budget process. The main areas of change are set out below, with the most significant increases in the gross programme for 2021/22 covered by re-phasing uncommitted budget on some other schemes into future years (details set out below).
- SEND Provision. The planned capital spending commitment reflects the latest position on the Building Communities of Specialist Provision Strategy individual schemes for 2021/22. The strategy is to deliver an increase in places for Lincolnshire special schools including providing young people with SEND the ability to access high quality all needs education, health and care provision in their local community. The whole life costs of the programme have risen to £86.794m from £56.556m based on actual scheme costs for those which have entered main works contracts and forecast scheme costs on those still to be confirmed post-feasibility. There are a number of reasons for the increased budget requirement: the addition to the programme of the Lincoln new school site solution following the department

declining the Local Authority's free school application (c.£12.000m); design solutions including improved site access to address travel and traffic concerns; addressing the extremely poor school site conditions, and enhanced health and therapy spaces.

Additional funding has been secured to deliver the revised programme. Funding is made up of government grants secured (£69.724m), LCC capital / other (£1.470m), and £15.600m reallocation of LCC capital funding for new school requirements currently within the 10 year programme to the SEND programme, due to a downward revision of requirements by taking account of many factors, for example, delays in planning applications, alternative solutions.

- As reported in the current year capital budget monitoring reports, a number of risks associated with the Lincoln Eastern Bypass (LEB), Grantham Southern Relief Road (GSRR) and Spalding Western Relief Road section 5 (SWRR) have resulted in significant increases in forecast costs. For 2021/22 we have added an additional budget of £5.847m for the LEB, an additional budget of £1.951m for the GSRR and a reduction in budget of £0.095m for the SWRR. For future years we have added an additional budget of £3.000m for the LEB, an additional budget of £9.192m for the GSRR and an additional budget of £0.762m for the SWRR. The revised capital programme has been updated to reflect these pressures and fund the overspends in 2021/22. Further risk still remains which could change these forecasts, but these will continue to be monitored and reported as these scheme progress.
 - To ensure our capital programme for 2021/22 is affordable and to recognise the risks and potential increased costs identified in the forecast of the major highway schemes currently in progress, we have re-phased into later years some programme budgets in areas where spend has not yet been committed. The 2021/22 uncommitted budgets for the Boston Development Schemes (Infrastructure and Economic) and Local Highways Improvements (Pinch points) – Coastal Route Schemes have been re-phased into 2022/23 to better reflect likely spend and to reduce the impact of increased spend on schemes that have already commenced.
 - Separated Paper and Card Recycling Scheme. This is a new project in the capital programme with a budget of £1.206m in 2021/22 and budgets totalling £4.171m in future years. This scheme is for the implementation of separated collections of paper and cardboard for households across Lincolnshire in order to realise economic and environmental benefits by reducing transportation and the degradation that occurs in mixed recycling collections.
- 1.40 The Department for Transport has now confirmed £110.000m of capital grant funding for the North Hykeham Relief Road scheme, following our outline business case bid. We currently have a £48.000m budget in the ten year capital programme to fund the net costs of this scheme, and the next

step is to complete a detailed business case. The scheme is due to start in 2025.

- 1.41 The revenue impact of the Capital Programme (capital financing charges to the Revenue Budget) fluctuates from year to year and it was agreed last year that fluctuations above and below the base budget would be dealt with by using an Earmarked Reserve for Capital Financing. The balance in this earmarked reserve currently stands at £5.150m and is likely to increase to around £13.000m after the 2020/21 outturn position is confirmed.

Development Fund Initiatives

- 1.42 Last year's budget process included a review of earmarked reserves, which resulted in funding identified for a number of new initiatives. The funding was allocated to a new earmarked reserve called the Development Fund and bids were made against this reserve for various schemes requiring a one-off investment. Some of these schemes have already started, with others planned to start in 2021/22. Appendix D shows these initiatives, and how the expenditure for each scheme is likely to be phased from the current year onwards. There remains a balance in the Development Fund earmarked reserve of £1.444m which has not yet been allocated.

Flexible Use of Capital Receipts Strategy

- 1.43 The Council previously approved the strategy of using Capital Receipts flexibly to fund revenue transformation projects from 2016/17 to 2019/20, in line with the Government's amended policy. Last year this was changed so that the strategy from 2020/21 is that capital receipts will only be used to repay loans or fund new capital expenditure. Transformation projects will instead be funded by using existing revenue budgets or earmarked reserves. This amended strategy will continue into 2021/22.
- 1.44 The statutory guidance relating to the flexible use of capital receipts requires councils to approve annually a Flexible Use of Capital Receipts Strategy. The proposed strategy for 2021/22 will be presented to the Executive on 2 February 2021 and will confirm that the Council has not identified any transformation projects in 2021/22 to be funded using this flexibility.

2. Legal Issues:

2.1 Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

These equality considerations do not preclude changes in services being made, but do require that these be fully appreciated. It is clear that the current and future financial challenges facing local authorities and the need for budget savings may result in changes to service provision and to some reduction in Council services. These may apply to services accessed by all people in Lincolnshire as well as services provided to specific groups. It is possible that there may be an adverse impact on some people and communities including those with a protected characteristic.

In order to meet its obligations, Equality Impact Analyses will be carried out in relation to any proposed changes to services on an individual basis. The specific impacts on people with a protected characteristic will be

investigated and the potential mitigation, if any, will be made clear, so that the implications of decisions are fully understood as they affect specific groups and communities. These have been and will continue to be regularly reported to the Executive as part of the decision making processes. Individual proposals will only be implemented after due regard to the legal matters that must be considered, including the public sector equality duty.

As part of its decision-making, the Executive will need to consider whether any alternative approaches could alleviate or at least mitigate the impact of the decision; such as making reductions in other areas which do not have the same impacts, including, particularly, equality impacts. The result could be to require additional resources to be used in certain areas than has been budgeted for.

Consideration of the public sector equality duty and/or consultation may be necessary at the budget setting stage where a decision to reduce spending is significant, sufficiently focussed, and in financial terms, apparently rigid.

It is not considered that this applies to any of the proposed reductions set out in this Report and its Appendices.

In particular, in the event that any of the proposed reductions cannot be achieved, the usual budget management processes such as the use of Earmarked Reserves, or virement, would be followed, and approval sought at the appropriate levels in accordance with Financial Regulations, including full Council where necessary. Furthermore, a contingency has been built into the budget proposals in the form of the Financial Volatility Reserve (the balance is currently £52.683m) and the annual Contingency budget of £3.000m for 2021/22, for when additional funding cannot be found by way of Earmarked Reserves or virement from other service areas.

A full Equality Impact Analysis will be developed in respect of the final budget proposal and in particular any Council Tax proposals in the light of feedback received during the consultation process.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

Individual proposals will only be implemented after due regard to the legal matters that must be considered, including the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

Individual proposals will only be implemented after due regard to the legal matters that must be considered, including the duty under section 17 of the Crime and Disorder Act 1998.

3. Conclusion

- 3.1 These budget proposals reflect the level of Government funding available to the Council and a proposal to increase general Council Tax in 2021/22 by 1.99%.
- 3.2 A thorough review of Council services was carried out during this year's budget process. Unavoidable cost pressures as well as savings have been identified, and the Capital Programme has been reviewed. The budget proposals aim to reflect the Council's priorities whilst operating with the resources available to it.
- 3.3 The budget proposals have been developed alongside, and in accordance with, the draft Medium Term Financial Strategy and a proposed final version of this Strategy will be reported to Executive in February. Final budget proposals will be reported to the Executive on 2 February 2021.

4. Legal Comments:

The Executive is responsible for publishing initial budget proposals for the budget for the purposes of consultation before determining the budget it will recommend to the full Council.

The matters to which the Executive must have regard in reaching its decision are set out in the body of the report.

The recommendations are within the remit of the Executive and are lawful. The Executive has the power to accept the Recommendation, or to agree one of the alternative approaches referred to in the report, subject to the limits on Council Tax increases referred to in the report.

5. Resource Comments:

These budget proposals incorporate the level of funding available to the Council from central Government plus an increase in Council Tax of

1.99% for general Council Tax.

Although the budget proposals are estimated at this stage, the funding assumed is in line with the Provisional Local Government Finance Settlement received in December 2020, and we propose a surplus budget at this stage, which will be a balanced budget once all remaining budgetary information has been incorporated.

The Medium Term Financial Plan from 2022/23 onwards still shows an underlying deficit position. We expect to be able to resolve this once our future funding is known and further savings are built into the budget after a number of development initiatives, including transformational projects, are delivered.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

There are no scrutiny comments at this stage in the budget process.

d) Risks and Impact Analysis

An Equality Impact Analysis will be complete for the proposed increase in Council Tax. This will be reported to the Executive at its meeting on 2 February 2021.

Further Equality Impact Analyses will need to be undertaken on a service by service basis.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Key Assumptions in the Medium Term Financial Plan
Appendix B	Cost Pressures and Savings for 2021/22
Appendix C	Capital Programme 2021/22 and Future Years
Appendix D	Development Fund Initiatives

8. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Provisional Local Government Finance Settlement	https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022
Council Budget 2020/21	https://www.lincolnshire.gov.uk/directory-record/61670/budget-and-financial-strategy

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Key Assumptions in the Medium Term Financial Plan

(Remaining Following Provisional Local Government Finance Settlement)

Funding / Expenditure Area	Assumption	2021/22 £000's	Impact of 1% Change in Assumption £000's	Impact of 5% Change £000's
Funding				
Independent Living Fund	Assume falls by 2.5%	1,515	15	76
Public Health Grant	Assume maintained at 2020/21 level	33,546	335	1,677
Better Care Funding	Increased by assumed Minimum Income Guarantee	18,984	190	949
Council Tax Collection Fund Surplus	Assume no surplus	0	0	0
Council Tax	Taxbase as at 27/11/20 (est.)	319,555	3,196	15,978
BR Collection Fund Surplus	Assume no surplus	0	0	0
BR collected locally	2020/21 plus growth of 0.55% pa	21,874	219	1,094
BR S31 Grant	2020/21 plus growth of 0.55% pa	7,178	72	359
BR Pooling Gain	Assume no pooling gain	0	0	0
Expenditure			4,027	20,133
Pay Inflation	1% pa Pay Inflation	1,580	790	3,950
Total			790	3,950

A 1% change in our funding compared to our assumption would result in £4.027m additional / less funding

A 1% change in our expenditure inflation compared to our assumption would result in £0.790m additional / less cost

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COST PRESSURES AND SAVINGS 2021/22**ADULT CARE AND COMMUNITY WELLBEING**

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Adult Specialties	Increased Costs	The financial rate paid to providers of mental health and learning disability services increases each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the 3 year residential contracts and/or the homecare prime provider contracts and published in the annual statement attached to the Adult Care Charging Policy.	2,855,778
Adult Frailty and Long Term Conditions	Increased Costs	The financial rate paid to providers of older peoples care and physical disability services increases each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the 3 year residential contracts and/or the homecare prime provider contracts and published in the annual statement attached to the Adult Care Charging Policy.	3,093,968
Adult Specialties	Increased Costs	Demand for adult specialties continues to increase with between 2.3% - 2.9% for learning disability and mental health long term care respectively.	1,930,818
Adult Frailty and Long Term Conditions	Increased Costs	Demand for adult frailty and long term conditions care continues to increase with between 1.2% - 1.8% for older peoples care and physical disability services respectively. Work is underway to develop demand forecasting for physical disabilities service users moving from children's services into adult care.	706,432

Home Based care Net Service Pressure	Increased Costs	Inflation and Demographic Growth for Homecare, Direct Payment and Day Care placements, and for NLW increases. Additional cost pressures previously omitted: to be funded by additional income already reported.	1,801,144
Public Health & Community Wellbeing	Increased Costs	Public health grant in 2020/21 is £1,205,537 more than the budget. Two cost pressures are included to be funded by this grant: £510,000 in PH & Community Wellbeing and £383,770 in Children's services. A decision will need to be made about the use of the balance of grant remaining of £311,767. It is shown here as a cost pressure, but is fully funded by Public Health grant increase shown below.	311,767
Adult Specialties Mental Health Community Packages of Care	Previously Reserves Funded	The Executive received a report in February 2020 detailing the Mental Health Section 75 agreement. Based on demand to date and projected forward, this agreement included cost projections of £9.6m. The Executive agreed to fund £1.4m in addition to the £1.163m funded through the Better Care Fund. This increased cost pressure is therefore funded via BCF income shown below.	1,163,000
Public Health & Community Wellbeing	Previously Reserves Funded	Integrated Lifestyle Service and substance misuse drug pressures. These pressures are funded through the increase in public health grant confirmed for 2020/21. This increase is the £1,205,537 included below.	510,000
Adult Specialties	Reduction in Pressures	The Spending Review statement 25 November 2020 confirmed that the National Living Wage rates forecast pre Covid19 pandemic would be lower as a result of the economic situation.	(189,499)

Adult Frailty and Long Term Conditions	Reduction in Pressures	The Spending Review statement 25 November 2020 confirmed that the NLW rates forecast pre Covid19 pandemic would be lower as a result of the economic situation.	(213,690)
			11,969,718

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Adult Frailty & Long Term Conditions	Increased Income	Proportionate increase of income from service user contributions in relation to annual uplift of benefits.	-1,601,068
Adult Specialties	Increased Income	Proportionate increase of income from service user contributions in relation to annual uplift of benefits.	-200,076
Adult Frailty & Long Term Conditions	Increased Income	Compliance with Care Act. This relates to moving existing service users across to the minimum income guarantee for non-residential care as well as all new entrants to adult social care commencing on the MIG rate	-1,500,000
Public Health - New Commercial Unit	Reduced Costs	Part of the Corporate transformation project would mean centralised functions and therefore loss of a post	-100,000
Adult Frailty & Long Term Conditions	Reduced Costs	Investment in extra care housing forecast to reduce long term placement costs	-160,000
Adult Specialties	Change in Better Care Fund	Underlying demand levels funded recurrently from Better Care Fund. Additional funding received Dec 2019 and not adjusted for in base budget. To fund Mental Health costs within Community Care Packages shown in cost pressures.	-1,163,000

Adult Frailty & Long Term Conditions	Change in Better Care Fund	Winter pressures forms core iBCF from 2020-21. BCF review agreed monies will support the underlying rate and demand pressures for adult social care contained in the pressures section above. Minor adjustment made to reflect Provisional LG Finance Settlement.	-3,367,463
Adult Frailty & Long Term Conditions	Change in Better Care Fund	Received confirmation of increase in 20-21 BCF Min Income Guarantee, assumed 50% received into LCC. There is a risk that this may not come into LCC	-680,000
Public Health & Community Wellbeing	Change in Public Health Grant	2020/21 Public Health Grant confirmed value of £33,546,137	-1,205,537
Adult Frailty & Long Term Conditions	Funding review	Review of BCF schemes redirecting funding to support service pressures in core, mandatory, services. BCF review agreed monies will support the underlying rate and demand pressures for adult social care contained in the pressures section above.	-400,000
Adult Specialties	Funding review	Review of BCF schemes redirecting funding to support service pressures in core, mandatory, services. BCF review agreed monies will support the underlying rate and demand pressures for adult social care contained in the pressures section above.	-490,000
Public Health & Community Wellbeing	Funding review	Review of BCF schemes redirecting funding to support service pressures in core, mandatory, services. Appendix to be provided showing how BCF funding is proposed to be allocated.	-192,000
Public Health & Community Wellbeing	Reduced Costs	Contract specification review for Lincolnshire Sexual Health Services	-500,000
Direct Payments	Increased Income	Improvement in Direct Payment collection rate an average 88% to 94%	-300,000
Service User contributions	Increased Income	Reduction in legal fees incurred in chasing Adult Social Care debts	-100,000
TOTAL CHANGES			-11,959,144 10,574

CHILDREN'S SERVICES

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Looked After Children	Increased Costs	Looked After Children: increase in costs across the composition of placement types supporting this vulnerable group (2% inflationary rate applied).	296,586
Special Guardianship orders	Increased Costs	Special Guardianship Orders (SGOs) continue to be seen by the Courts as an important option for permanency for children who need to be removed from their birth parents which is endorsed by officers. The expected increases are based on average numbers of SGO's being granted per month with a 5% increase annually.	281,922

Looked After Children	Increased Costs	<p>Looked After Children: contributing factors include an increase in looked after children; a shift in placement compositions from internal foster carer arrangements to more external placements, some of which are specialist placements that incur a significantly greater unit cost, and market forces within the external looked after children sector. The position is reflective of pre-Covid-19. The cost pressure is to re-base the budget to current spending levels (pre-Covid-19). Steps continue to be in place to mitigate and manage escalation of needs, and further work is underway on placement planning to mitigate further cost rises, which is managed through the transformation programme.</p> <p>Lincolnshire's benchmarked looked after children numbers per 10,000 of the population is at 43 per 10,000, compared to nationally in the prior year of 65 (March 2020). CIPFA LAC benchmarking for Local Authority participants showed Lincolnshire's average looked after child placement costs (2019) to be £41,555 p.a. compared to the average of other Local Authorities of £53,287.</p>	2,000,000
Home to School Transport	Increased Costs	<p>Home to School Transport National Living Wage increase for drivers. The NLW has been updated to reflect the April 2021 change of £8.91 (a rise of 2.18%).</p>	280,649
Home to School Transport	Increased Costs	<p>Home to School Transport Inflationary rises in the delivery of general transport provision (2%)</p>	428,314

Home to School Transport	Increased Costs	Home to School Transport - increase in Mainstream Pupil eligibility - secondary school pupil growth	295,838
Home to School Transport	Increased Costs	Rebase of budget to planned spending levels in 2019/20 academic year. The increased costs related to contractual inflationary pressures within mainstream transport; increase in SEND pupils resulting in increased eligibility for transport to mainstream school, and an increase in complexity of pupils requiring more specialised and lone transport.	2,000,000
Home to School Transport	Increased Costs	Special Schools – One School One Operator (OSOP) model: the specifics of the contract (payment mechanism) and changing pupil requirements (both in terms of needs and their location) has resulted in the Local Authority undertaking a review of the payment mechanism.	1,000,000
Home to School Transport	Increased Costs	Anticipated growth in SEND transport costs for 2021/22. A transformational review is taking place within this area, as well as the Building Communities of Specialist Provision Strategy, which are both anticipated to make a positive impact on transport spending from 2022/23, i.e. cost avoidance, however time is required to embed these new practices.	250,000
Home to School Transport	Increased Costs	Public Service Vehicle Accessibility Regulations (PSVAR): vehicles need to be compliant with Schedule 1 of the Regulations which require the vehicle to be wheelchair accessible when Local Authorities sell spare seats on transport vehicles.	600,000

Home to School Transport	Increased Costs	Section 31 grant increase for Home to School Transport Extended Rights to Free Travel. Increase in costs offset by increase in income. This pressure is therefore fully funded from the government funding increase.	334,200
			7,767,509

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Family Assessment & Support Team	Reduced Costs	Utilisation of grant income and budget reductions to meet service requirements	-1,000
Education Support Services	Reduced Costs	Additional income generation, a reduction in the cost of software and budget reductions to meet service requirements	-1,000
TOTAL CHANGES			-2,000
			7,765,509

PLACE

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Cultural Services - Library provision	Increased Costs	Inflationary costs - libraries contract Additional £42k required in 20/21 - GLL taking on the ICT provision.	42,000
Design Services	Increased Costs	Unfunded increase in energy charges for street lighting and signs	300,000
Waste Management	Increased Costs	Increased cost of the Mixed Dry Recycling Contract reflecting market conditions on the award of the new contract effective from July 2020	1,100,000
Waste Management	Increased Costs	Revenue implementation costs for separated collection of paper and cardboard in order to reduce contamination and processing costs to yield future savings	454,000
Planning	Increased Costs	Budget pressure over the last two years to deal with increased cost of legal services on complex planning decisions	80,000
Planning	Decreased income	Budget pressure over the last two years to deal with reduced level of planning fee income	200,000

2,176,000

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Highways Services	Reduced Costs	Efficiency savings - ending use of white salt Contract savings Increased income for services	-159,210

Waste Management	Reduced Costs	Improved efficiency in processing by reducing contamination of Mixed Dry Recycling	-235,750
			-394,960
		TOTAL CHANGES	1,781,040

FIRE & RESCUE

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Fire Station Business Rates	Increased Costs	Changes from the April 2017 revaluations has increased rates costs at retained and whole time fire stations.	10,962
Fire - East Coast Consortium	Increased Costs	<p>As part of the East Coast consortium project there was a requirement to have a Service Support role to update, support and manage the Vision 4 systems and provide a link with all 4 services.</p> <p>Currently we have a resource that is seconded into this role who has been vital in setting up Vision 4 for Lincolnshire. Moving forward it is clear that this role will be required as business as usual to ensure our system is supported and managed to keep our Control function up to date and effective.</p> <p>We can also use this role to support other software systems that the Service now operates such as PDR Pro and Flosuite which are integral in collating and reporting data for use across the Service.</p>	45,000

Fire - Pre Hospital Emergency Medical training	Increased Costs	<p>500K over a 3 year period depending on suppliers(e.g 250K yr1 / 50K yr2 / 200K yr3).</p> <p>Following a review of our Trauma training that we provide our operational staff, it identified that we do not provide the level of skills or capability that is provided by other Fire and Rescue Services. These are the skills for our operational staff to give emergency medical treatment at incidents to the public, especially when there are no ambulance on scene or medical professionals. Current standards as identified by NFCC recommend that all operational staff are trained to Pre-Hospital Emergency Medical level C or D. It has also been identified through an audit by National Resilience that we are not meeting the requirements for our National Boat Teams to be deployed to support national incidents due to our staff not being trained to these standards.</p> <p>We are proposing to upskill our staff to Level C. At present we are completing a business case that outlines the most cost effective way to upskill our staff, which has identified the proposed costs. We are looking at ways to reduce the implementation costs if possible.</p>	250,000
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<p>Fire - Fire Control</p>	<p>Increased Costs</p>	<p>We are currently reviewing our Control function structure to ensure we have a resilience in terms of personnel to maintain the minimum levels of 3 on duty to take call, manage incidents and communicate across the Service. We are currently running over establishment to maintain 20 in this area, but are underway with a project to look at options as follows:</p> <ul style="list-style-type: none"> • Partnership with another Fire and Rescue Control function to give resilience • Partnership with 3rd party to give resilience • Internal re-structure to keep Control operatives but review management structure • Current substantive establishment of 16 structure plus 'bank staff' to offer resilience. <p>This project has been delayed due to COVID and reduced capacity within projects. This has now been addressed and expect full cost recommendations by October.</p> <p>If the most cost effective model is to re-structure or to utilise 'bank staff' then the cost pressure would likely be approx. 85K.</p> <p>It is unclear as yet if the provision of our Control through 3rd party or partnership arrangement with another FRS would produce savings. This will be confirmed in October.</p>	<p>85,000</p>
			<p>390,962</p>

RESOURCES

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Financial Strategy	Increased Costs	Corporate Support Service Contract - Gross v Net (new service). If the Council agrees to move to gross payments to residential care providers, then there will be an associated increase in volumes of payment runs and creation of direct debits and invoices on the Serco contract, as well as additional debt recovery work (estimated cost).	273,000
Financial Strategy	Increased Costs	Corporate Support Service Contract - Exchequer Services Revised contract costs based on a review of pricing and volume analysis undertaken in November 2020. Increased costs are a combination of; - rebased indexation for 20/21 (up from 2.24% to 3.41%) - indexation for 21/22 of 1.56% - a review of expected volumes for 21/22 - future indexation is assumed to be 2% pa	147,297
Financial Strategy	Increased Costs	Corporate Support Service Contract - Social Care Service Revised contract costs based on a review of pricing and volume analysis undertaken in November 2020. Increased costs are a combination of; - rebased indexation for 20/21 (up from 2.24% to 3.41%) - indexation for 21/22 of 1.56% - a review of expected volumes for 21/22 - future indexation is assumed to be 2% pa	127,875
Human Resources	Increased Costs	Corporate Support Service contract 21/22 re-based to include 20/21 indexation of 3.41%	50,254
Community Safety	Previously Reserves Funded	Estimated value of additional budget requirement following exhaustion of reserves (which run out in 20/21) and new burdens for Domestic Abuse Service. This is the value following engagement discussions as at 23/11/20.	585,326

		Government grant income of £98k is expected to support this cost pressure (see below)	
Coroners Service	Increased Costs	As part of a full analysis of current contracts (price and volume) for mortuary, histology, toxicology, post mortem and conveyancing contracts there is a significant shortfall over and above the £215k structural shortfall (see lines below). This is based on extended one year contract costs (Sept20 to Aug 21) in line with revised pricing schedules.	310,815
Coroners Service	Increased Costs	Further to the line above, post mortem and contracts are due for renewal in September 2021. It is unclear what the true value of this will be until the conclusion of the procurement process so an estimated 2% increase is included based on total contractual costs of £1,024,742.	10,248
Coroners Service	Increased Costs	Historic saving of £100k has not been achieved and is not likely to be achieved in the short term. The current service review including on-going discussions regarding Greater Lincolnshire merger may generate future savings but this is not yet known.	100,000
Coroners Service	Increased Costs	This figure represents the identified budgetary shortfall as at December 2019 when detailed budget setting work was concluded.	114,750
			1,719,565

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Human Resources	Increased income	New HR Services for schools and Leadership & Management Apprenticeship Centre	-91,000
Financial Strategy	Increased income	Income from supporting schools	-20,000
Audit & Risk	Increased income	Income from external clients/schools	-15,000

Business Support	Reduced Costs	Printing Review	-57,000
Community safety	Increased income	A government grant income of £98k is expected to support the Community Safety cost pressure (see above).	-98,000
Celebratory & Registration Services	Increased income	Increased income budget target in line with Pre Covid activity levels.	-108,000
			-389,000
TOTAL CHANGES			1,330,565

COMMERCIAL

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Corporate Property	Increased Costs	Increase in utility costs Assumed contractual inflation costs for 21/22. Medium term estimates currently suggest than little/ no inflationary increases beyond 21/22 although this is subject to changing market conditions	153,820
Corporate Property	Increased Costs	Increase in property rates Assumed increased costs for 21/22 and beyond in line with medium term planning.	64,106
Corporate Property	Increased Costs	Insurance Property insurance premiums increases for 21/22 only.	20,800
Corporate Property	Increased Costs	South Park Blue Light Property Costs increased rates and utility costs for the new building. The pressures represents the LCC element only.	119,737
Corporate Property	Increased Costs	Property Contract Inflation Inflation for 21/22 and beyond is within the range 1% -2% and is estimated for planning purposes at 1.5%	156,000
Corporate Property	Increased Costs	Compliance Officer and Fire Door Surveys In order to ensure that LCC is compliant across the property portfolio, a Compliance Officer role has been established. As a result of the Grenfell report, a continuous programme of fire door surveys is to be put in place via the property contract.	133,000
Corporate Property	Increased Costs	Travellers sites As a result of the Modern Day Slavery regulations and recent incidents on the traveller sites, increased monitoring and attendance has been put in place to ensure early detection and therefore prevention occurs, resulting in additional costs.	66,000

		Risk: If attendance on site is removed, LCC is potentially at risk of not being able to demonstrate proactive support of the safety and management of the sites	
Commercial (Customer Service Centre)	Increased Costs	Corporate Support Service contract 21/22 a) re-based to include 20/21 indexation of 3.41%, b) 21/22 indexation at 1.56% c) revised volume assumptions as at November 2020 d) assumed 2% inflationary increase for 22/23 and 23/24	129,594
IMT	Increased Costs	Corporate Support Service contract 21/22 a) re-based to include 20/21 indexation of 3.41%, b) 21/22 indexation at 1.56% c) revised volume assumptions as at November 2020 d) revised cost of commercial arrangement for the IMT service e) assumed 2% inflationary increase for 22/23 and 23/24	476,806
Transformation	Increased Costs	Business Objects Software Licencing Existing cost that is required to support this established reporting system for 21/22 prior to the removal of this requirement in 22/23	46,000
			1,365,863
SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Corporate Property	Reduced Costs	Reduced support to internal moves and Occupeye technology	-85,000
Corporate Property	Reduced Costs	County Farms Estate - reduction in outgoing rents to Crown Estate	-150,000
			-235,000
TOTAL CHANGES			1,130,863

CORPORATE SERVICES

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Corporate Services	Increased Costs	Adjustment required to pay budget to bring it in line with actual cost of posts introduced last year. Original budget was based on estimated grades and excluded indirect staffing costs.	41,580
Corporate Services	Increased Costs	Creation of a corporate marketing, promotions and communications budget.	35,000
TOTAL CHANGES			76,580

OTHER BUDGETS

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Capital Financing	Reduced Costs	Minimum Revenue Provision reduced due to capital programme slippage - one year only	-1,886,231
Capital Financing	Reduced Costs	Interest on borrowing reduced due to interest rates falling and internal borrowing, one year only	-2,476,000
Insurance	Increased Costs	Insurance costs - indicative of 15% increase due to extension of contract	426,401
Pension Deficit Contribution	Increased Costs	Local Government Pension Scheme Lump Sum Deficit	1,300,000
Pension Employers Contribution	Increased Costs	Local Government Pension Scheme Employers Contribution	22,592
Levy Payments	Increased Costs	Eastern Inshore Fisheries	10,000
Levy Payments	Increased Costs	Apprenticeship Levy increase on 20/21 base	12,900
Levy Payments	Increased Costs	Apprenticeship Levy increase on 21/22 base	32,141
Capital Financing	Reduced Income	Investment income reduced due to interest rates falling	1,400,000
Capital Financing Charges	Increased Costs	Removal of Revenue Contribution to Capital Budget (will result in increased capital financing costs – Minimum Revenue Provision)	15,000
Capital Financing Charges	Increased Costs	Removal of Revenue Contribution to Capital Budget (will result in increased capital financing costs – Interest)	15,000
			-1,128,197
SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Financial Strategy	Increased Income	Anticipated dividend receivable from ESPO joint arrangement	-6,060

Capital Financing Charges	Reduced Costs	Remove Revenue Contribution to Capital £600k budget	-600,000
Capital Financing Charges	Reduced Costs	Remove Capital Financing Charges Other Flexibility £500k budget	-500,000
Pensions	Reduced Costs	Reduce Pension Enhancement budget (section 24) due to attrition rate	-100,000
			-1,206,060
TOTAL CHANGES			-1,734,257

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Capital Programme (2020/21 plus Future Years)		Net Programme 2020/21 £m	Grants & Contribution 2020/21 £m	Revised Gross Programme 2020/21 £m	Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
ADULT CARE AND COMMUNITY WELLBEING										
CONDITIONS										
Dewint Court Extra Care Housing Scheme	Contribution towards De Wint Extra Care Housing Scheme	0.000	-1.400	1.400	0.000	0.000	0.000	0.000	0.000	0.000
Linelands Extra Care Housing Scheme	Contribution towards Planned Linelands Housing Scheme	1.990	0.000	1.990	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals: Adult Frailty & Long Term Conditions		1.990	-1.400	3.390	0.000	0.000	0.000	0.000	0.000	0.000
CHILDREN'S EDUCATION										
SCHOOLS										
Devolved Capital	Capital funding devolved to schools for improvements to buildings and school sites or investment in ICT hardware.	0.000	-1.017	1.017	0.000	0.000	0.000	0.000	0.000	0.000
Provision of School Places (Basic Need)	A programme of expansion and new build construction of school buildings.	0.080	-3.351	3.431	0.000	-2.900	2.900	0.000	0.000	0.000
Schools Modernisation / Condition Capital	Programme to improve the condition of the school estate.	0.000	-5.755	5.755	0.000	-3.500	3.500	0.000	0.000	0.000
New Schools Requirements		0.000	0.000	0.000	0.000	0.000	0.000	42.700	-10.600	53.300
Other Education & SEND Services	Capital funding for CWD short breaks and other education services	0.003	-0.072	0.074	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Schools		0.083	-10.195	10.277	0.000	-6.400	6.400	42.700	-10.600	53.300
CHILDREN'S SERVICES										
Early Help		0.978	-0.146	1.123	0.395	0.000	0.395	0.000	0.000	0.000
Safeguarding Services	Capital funding for in-house provision and other safeguarding services including foster carers and supported accommodation	0.097	0.000	0.097	0.323	0.000	0.323	0.250	0.000	0.250
SEND Provision Capital Funding for Pupils with EHC Plans	A programme of major investment in SEND provision.	0.000	-11.500	11.500	0.000	-29.710	29.710	15.600	-26.059	41.659
Children's Services - Children's Homes	Two new small children's homes for children who are looked after.	0.050	0.000	0.050	1.075	0.000	1.075	0.375	0.000	0.375
Commissioning & Health Services	Capital funding for the 0-19 Health Services	0.000	0.000	0.000	0.100	0.000	0.100	0.000	0.000	0.000
Subtotals - Children's Services		1.125	-11.645	12.770	1.893	-29.710	31.603	16.225	-26.059	42.284
Subtotals Children's Education		1.208	-21.840	23.047	1.893	-36.111	38.004	58.925	-36.659	95.584

Capital Programme (2020/21 plus Future Years)		Net Programme 2020/21 £m	Grants & Contribution 2020/21 £m	Revised Gross Programme 2020/21 £m	Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
COMMERCIAL										
PROPERTY										
Property	Maintenance and improvement programme for council properties, asbestos works and improvements to the County Farm estates.	2.983	0.000	2.983	2.736	0.000	2.736	0.000	0.000	0.000
Property maintenance	To fund the maintenance and improvement programme for council properties	0.000	0.000	0.000	3.500	0.000	3.500	24.500	0.000	24.500
Orchard House Repairs	To complete essential repair work to the Lincoln County offices / Orchard House campus	1.400	0.000	1.400	0.000	0.000	0.000	0.000	0.000	0.000
Bluelight - wider estates (other funding will support this)	Programme of works to support dual and tri service occupation throughout Lincolnshire.	0.284	0.000	0.284	0.000	0.000	0.000	0.000	0.000	0.000
Lexicon House	Refurbishment of Lexicon House for office accommodation.	0.050	0.000	0.050	0.950	0.000	0.950	0.000	0.000	0.000
County Emergency Centre	Modernisation of the County Emergency Centre.	0.087	0.000	0.087	0.000	0.000	0.000	0.000	0.000	0.000
Property Area Reviews	Programme of works for leased properties.	0.225	0.000	0.225	0.202	0.000	0.202	0.000	0.000	0.000
Property Improvement Programme	The improvement to council properties	0.306	0.000	0.306	0.000	0.000	0.000	0.000	0.000	0.000
County Farms Private Roads	The improvement private roads on the County Farms Estates	0.017	0.000	0.017	0.020	0.000	0.020	0.020	0.000	0.020
County Farms Grain Stores	The improvement to county farms grain stores	0.000	0.000	0.000	0.145	0.000	0.145	0.242	0.000	0.242
School Mobile Classroom Replacement	The replacement of school mobile classrooms	0.300	0.000	0.300	0.390	0.000	0.390	1.500	0.000	1.500
Castle Motte		0.370	0.000	0.370	0.000	0.000	0.000	0.000	0.000	0.000
Horncastle Estate & Land Purchase		0.113	0.000	0.113	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Property		6.136	0.000	6.136	7.943	0.000	7.943	26.262	0.000	26.262

Capital Programme (2020/21 plus Future Years)		Net Programme 2020/21 £m	Grants & Contribution 2020/21 £m	Revised Gross Programme 2020/21 £m	Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
ICT										
Broadband	Provision of superfast broadband across the county.	0.640	-1.200	1.840	0.000	0.000	0.000	3.751	0.000	3.751
Infrastructure and Refresh Programme	General IT programmes including: IT development, replacement of PCs, other IT equipment and ICT infrastructure.	1.845	0.000	1.845	3.539	0.000	3.539	3.500	0.000	3.500
Improvement Transformation	To support the Transformation Programme by delivering enabling strategies in line with the Council's IMT strategy	0.000	0.000	0.000	2.000	0.000	2.000	2.000	0.000	2.000
Replacement ERP Finance System	Improvements to the ERP Finance system.	0.010	0.000	0.010	0.312	0.000	0.312	0.000	0.000	0.000
Care Management System (CMPP)	Installation of the Mosaic system.	0.009	0.000	0.009	0.005	0.000	0.005	0.000	0.000	0.000
ICT Development Fund	Improvements to ICT infrastructure and network.	0.300	0.000	0.300	0.121	0.000	0.121	0.000	0.000	0.000
IMT (Cloud Navigator/Windows 10)	Upgrade of hardware to Windows 10 system and development of Cloud Navigator to enable digital transformation of services to citizens.	0.136	0.000	0.136	0.000	0.000	0.000	8.000	0.000	8.000
Azure Data Migration	Migration of data from a physical to a cloud platform	0.604	0.000	0.604	0.460	0.000	0.460	0.000	0.000	0.000
Subtotals - ICT		3.545	-1.200	4.745	6.436	0.000	6.436	17.251	0.000	17.251
Subtotals Commercial		9.680	-1.200	10.880	14.379	0.000	14.379	43.513	0.000	43.513
<u>FIRE AND RESCUE & PUBLIC</u>										
<u>FIRE AND RESCUE & EMERGENCY PLANNING</u>										
Fire and Rescue & Emergency Planning	Refurbishment of fire and rescue properties.	0.393	0.000	0.393	1.074	0.000	1.074	0.000	0.000	0.000
Fire Fleet Vehicles and Associated Equipment	Rolling programme for the replacement of fire and rescue fleet vehicles and associated equipment.	4.097	0.000	4.097	3.128	0.000	3.128	6.540	0.000	6.540
Subtotals - Fire and Rescue & Emergency Planning		4.489	0.000	4.489	4.203	0.000	4.203	6.540	0.000	6.540
<u>PUBLIC PROTECTION</u>										
Registration Celebratory & Coroners Service	Coroners IT system for case management, and improvement to Gainsborough celebratory premises.	0.082	0.000	0.082	0.000	0.000	0.000	0.000	0.000	0.000
Safer Communities	Vehicle for Trading Standards	0.025	0.000	0.025	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Public Protection		0.107	0.000	0.107	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals Fire and Rescue & Public Protection		4.596	0.000	4.596	4.203	0.000	4.203	6.540	0.000	6.540

Capital Programme (2020/21 plus Future Years)		Net Programme 2020/21 £m	Grants & Contribution 2020/21 £m	Revised Gross Programme 2020/21 £m	Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
PLACE										
COMMUNITIES										
CULTURE										
Libraries	RFID replacement kiosks and library hub capital works.	0.521	0.000	0.521	0.000	0.000	0.000	0.000	0.000	0.000
Historic Lincoln	Improvement programme for Lincoln Castle.	-0.050	-0.066	0.017	0.000	0.000	0.000	0.000	0.000	0.000
Lincoln Castle Revealed phase 2		0.281	0.000	0.281	0.000	0.000	0.000	0.000	0.000	0.000
Heritage / Archives	Future development of the Heritage service.	2.500	0.000	2.500	2.500	0.000	2.500	0.000	0.000	0.000
Subtotals - Culture		3.252	-0.066	3.319	2.500	0.000	2.500	0.000	0.000	0.000
ENVIRONMENT										
Electronic Ticket Machine		0.365	0.000	0.365	0.000	0.000	0.000	0.000	0.000	0.000
Other Highways and Transportation	Block of smaller Highways projects.	1.028	-0.390	1.418	0.000	0.000	0.000	0.000	0.000	0.000
Other Environment and Planning	Block of small projects.	0.043	0.000	0.043	0.000	0.000	0.000	0.000	0.000	0.000
Flood & Water Risk Management	A range of projects to alleviate flood and water risks.	0.572	0.000	0.572	0.000	0.000	0.000	0.000	0.000	0.000
Local Flood Defence Schemes (to match fund EA)	Match funding with the Environment Agency for local flood defence schemes.	0.900	0.000	0.900	1.350	0.000	1.350	3.650	0.000	3.650
Subtotals - Environment		2.908	-0.390	3.298	1.350	0.000	1.350	3.650	0.000	3.650
Waste - Fire Suppression Systems at Transfer Stations	Installation of fire suppression systems.	0.400	0.000	0.400	0.421	0.000	0.421	0.000	0.000	0.000
Waste - replacement of HWRC x 2	Replacement programme for 2 Household Waste Recycling Centres.	0.050	0.000	0.050	3.950	0.000	3.950	0.000	0.000	0.000
Equipment & Vehicles for Waste Transfer Stations	Replacement programme for vehicles and plant used for winter maintenance and in waste transfer stations.	0.251	0.000	0.251	0.252	0.000	0.252	0.847	0.000	0.847
Separated Paper and Card Scheme		0.000	0.000	0.000	1.206	0.000	1.206	4.171	0.000	4.171
Waste		0.035	0.000	0.035	0.100	0.000	0.100	0.000	0.000	0.000
Subtotals - Waste		0.736	0.000	0.736	5.929	0.000	5.929	5.018	0.000	5.018
Subtotals - Communities		6.897	-0.456	7.353	9.779	0.000	9.779	8.668	0.000	8.668

Capital Programme (2020/21 plus Future Years)		Net Programme 2020/21 £m	Grants & Contribution 2020/21 £m	Revised Gross Programme 2020/21 £m	Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
GROWTH										
Lincolnshire Enterprise Partnership Contribution	Lincolnshire Enterprise Partnership funding for capital projects.	13.956	0.000	13.956	0.000	0.000	0.000	0.000	0.000	0.000
LEP Skills Investment Programme	This project is aimed at increasing new apprenticeships and training places by refurbishing existing and creating new learning spaces.	0.232	0.000	0.232	0.000	0.000	0.000	0.000	0.000	0.000
Lincoln Growth Point		-0.240	0.000	-0.240	0.000	0.000	0.000	0.000	0.000	0.000
Lincolnshire Waterways		-0.144	0.000	-0.144	0.000	0.000	0.000	0.000	0.000	0.000
Other Growth and the Economy - Economic Infrastructure		0.293	0.000	0.293	0.000	0.000	0.000	0.000	0.000	0.000
Teal Park, Lincoln		-0.001	0.000	-0.001	0.000	0.000	0.000	0.000	0.000	0.000
South Lincs (Holbeach) Food Enterprise Zone	Contribution towards Holbeach Food Enterprise Zone.	3.400	0.000	3.400	0.000	0.000	0.000	0.000	0.000	0.000
Economic Development - Business Unit Development	Development of business units.	0.500	0.000	0.500	1.500	0.000	1.500	0.000	0.000	0.000
Skegness Countryside Business Park		0.009	0.000	0.009	0.000	0.000	0.000	0.000	0.000	0.000
Economic Development - Horncastle Industrial Estate Extension	Extension of Horncastle Industrial Estate Extension.	0.500	0.000	0.500	1.000	0.000	1.000	0.000	0.000	0.000
Subtotals - Growth		18.505	0.000	18.505	2.500	0.000	2.500	0.000	0.000	0.000

Capital Programme (2020/21 plus Future Years)		Net Programme 2020/21 £m	Grants & Contribution 2020/21 £m	Revised Gross Programme 2020/21 £m	Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
Corringham Road (development with WLDC)	Major scheme development of Corringham Road, in partnership with West Lindsey District Council.	1.154	-0.500	1.654	0.000	0.000	0.000	0.000	0.000	0.000
Sleaford Rugby Club (Sleaford Growth Scheme)	Improvement to ease congestion and improve the traffic flow at the Sleaford Rugby Club junction.	0.247	-1.070	1.318	1.014	0.000	1.014	0.000	0.000	0.000
A52 Skegness Roman Bank		4.449	0.000	4.449	0.325	0.000	0.325	0.075	0.000	0.075
Local Highways Improvements(Pinchpoints) to support Coastal Route (between £2m-£5m p.a)		0.850	0.000	0.850	1.705	0.000	1.705	17.295	0.000	17.295
Other Highways	Block of smaller Highways projects.	0.032	0.008	0.024	0.000	0.000	0.000	0.000	0.000	0.000
Boston Development Schemes (Infrastructure & Economic)	A range of initiatives to support economic and housing growth whilst reducing traffic congestion in and around Boston.	0.829	0.000	0.829	0.641	0.000	0.641	3.700	0.000	3.700
Pothole and Challenge Fund		0.000	-20.909	20.909	0.000	0.000	0.000	0.000	0.000	0.000
North Hykeham relief road (Scheme total £148m, DfT bid £100m)		0.000	0.000	0.000	0.000	0.000	0.000	48.000	0.000	48.000
Subtotals - Highways		54.679	-75.392	130.071	61.030	-56.908	117.939	112.662	-2.630	115.292
Subtotals Place		80.081	-75.849	155.929	73.309	-56.908	130.217	121.330	-2.630	123.960

Capital Programme (2020/21 plus Future Years)		Net Programme 2020/21 £m	Grants & Contribution 2020/21 £m	Revised Gross Programme 2020/21 £m	Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
OTHER BUDGETS										
New Developments Capital Contingency Fund	A council wide budget has been created to fund any schemes that are currently in the development stage. The funding will be awarded to these schemes on the approval of their business cases.	5.659	0.000	5.659	17.500	0.000	17.500	52.500	0.000	52.500
Capital Fund - CIL	This block relates to Community Infrastructure Levy receipt from developer as a contribution towards the construction of Lincoln Eastern Bypass and we have forward funded. Any income received will result in the reduction of the current capital programme.	-0.668	-0.668	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital Fund - S106	This block relates to S106 developer contributions towards schemes we have forward funded. Any income received will result in the reduction of the current capital programme.	-0.148	-0.148	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals Other Budgets		4.843	-0.817	5.659	17.500	0.000	17.500	52.500	0.000	52.500
Total Budget		102.397	-101.105	203.502	111.283	-93.019	204.302	282.808	-39.289	322.097

APPENDIX D (i)

Development Fund Initiatives (Capital) - Phasing of Expenditure					
Directorate / Service Area	Development Initiative	Planned One-Off Investment	Forecast to be Spent 2020/21	Forecast to be Spent 2021/22	Forecast to be Spent 2022/23 Onwards
		£000's	£000's	£000's	£000's
Children's Services - Strategic Commissioning	Education Transport links to School (Route sustainability)	440	0	220	220
Place - Highways	Traffic signals - Wireless communications	80	80		
Place - Highways	Community Maintenance Gangs	3,981	3,981		
Place - Highways	Drainage Investigation and Flood Repairs	2,000	1,000	1,000	
Fire and Rescue	Flood Management Pumps	116	116		
Fire and Rescue	Replacement Trading standards Metrology equipment	50	50		
Commercial - IMT	Broadband - 4G	800	150	120	530
TOTAL DEVELOPMENT INITIATIVES		7,467	5,377	1,340	750

APPENDIX D (ii)

Development Fund Initiatives (Revenue) - Phasing of Expenditure					
Directorate / Service Area	Development Initiative	Planned One-Off Investment	Forecast to be Spent 2020/21	Forecast to be Spent 2021/22	Forecast to be Spent 2022/23 Onwards
		£000's	£000's	£000's	£000's
Place - Environment	Green Masterplan	350	100	250	
Place - Communities	Anaerobic digestion Facilities - Business Case Viability	150	20	130	
Place - Highways and Communities	Highways Advance Design/Economic Development Pipeline Projects	2,713	840	1,000	873
Place - Highways	Traffic signals - Wireless communications	5		5	
Place - Highways	Drainage Investigation and Flood Repairs	200	100	100	
Fire and Rescue	Research study - LFR prevention work	10	10	0	0
Commercial - Transformation	Transformation Programme (Business Process re-engineering)	280	0	0	280
Commercial - IMT	Broadband - 4G	135	27	27	81
Commercial - Transformation	Transformation Programme	7,394	824	3,510	3,060
Reserves	Development Fund Reserve balance still to be allocated	1,444			
TOTAL DEVELOPMENT INITIATIVES		12,681	1,921	5,022	4,294



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Executive
Date:	05 January 2021
Subject:	Final Report from the Developer Contributions Scrutiny Review
Decision Reference:	I021360
Key Decision?	No

Summary:

On 17 December 2020, the Overview and Scrutiny Management Board (OSMB) approved the attached scrutiny report on Developer Contributions for submission to the Executive. The report, prepared by Scrutiny Panel A on behalf of OSMB, makes a total of six recommendations. The Executive is requested to receive the report and make arrangements for responding to the report by 05 March 2021. This is to comply with the legal requirement contained in the Local Government Act 2000 section 9FE requiring the Executive to respond within two months.

Recommendation(s):

That the Executive:-

- 1) considers the Developer Contributions Scrutiny Review final report.
- 2) makes arrangements to respond to the report within two months. The Executive is requested to ask the relevant Executive Councillor(s):
 - (a) to indicate in the response which recommendations have been accepted; and
 - (b) where recommendations are accepted, to bring forward an action plan for their implementation.

Alternatives Considered:

The report on Developer Contributions is submitted to the Executive under section 10 of the Overview and Scrutiny Procedure Rules in the Constitution. The Executive is legally required to respond to the report within two months. The Executive has the option to accept or not accept each of the recommendations included in the report.

Reasons for Recommendation:

There is a constitutional requirement for the Executive to consider scrutiny review reports, and a legal requirement on the Executive to respond within two months.

1. Background

In September 2020, the Executive Councillor for Economy and Place, Councillor C J Davie, with the backing of Group Leaders, asked Scrutiny Panel A to carry out an urgent short review of Developer Contributions to see how the County Council can maximise the benefits for local communities from such contributions.

The following key lines of enquiry for the scrutiny review were agreed by the Panel:

1. To examine how Developer Contributions could be utilised to maximise the benefits to the local community and how a list of potential local schemes to fund through Developer Contributions could be developed, while taking into consideration the National Planning Policy Framework, local circumstances and the views of the local member.
2. To examine the impact of the proposals in the Government's consultation paper 'Planning for the future' and what the proposals would mean for Lincolnshire.
3. To examine how to achieve better quality design and more sustainable communities in new developments through the use of Developer Contributions, recognising that the viability of new developments can be marginal to the development industry.

Scrutiny Panel A consisted of Councillors L Wootten (Chairman), M T Fido (Vice Chairman), Mrs A M Austin, R Renshaw, S P Roe and M A Whittington. The Panel met three times in October and November 2020. Councillors C J Davie, Executive Councillor for Economy and Place, and E J Poll, Executive Councillor for Commercial and Environmental Management, attended the meetings as advisors on behalf of the Executive.

The attached report on Developer Contributions was approved by the Overview and Scrutiny Management Board at its meeting on 17 December 2020. There are six recommendations contained in the report for the Executive's consideration.

The Executive is invited to consider the report and assign responsibility to the relevant Executive Councillor(s) for responding to the report. As part of its response, the Executive is requested to indicate to the Overview and Scrutiny Management Board which recommendations in the report are accepted. Where recommendations are accepted, there is also a request for an action plan, showing what steps are being taken to implement the recommendations, with projected timescales, where possible. This will enable the Overview and Scrutiny Management Board to monitor the implementation of any actions arising from the report.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

<p>There are not considered to be any direct implications for the Equality Act 2010 of the matters referred to in the report.</p>

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

There are not considered to be any direct implications for the JSNA and the JHWS of the matters referred to in the report.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

There are not considered to be any direct implications for crime and disorder of the matters referred to in the report.

3. Conclusion

In accordance with section 9FE of the Local Government Act 2000 this Report constitutes notice from the Overview and Scrutiny Management Board requiring the Executive to consider the Developer Contributions Scrutiny Review report and to provide and publish a response to the Board indicating what, if any, action the Executive proposes to make.

4. Legal Comments:

The Report introduces the results of a scrutiny review on Developer Contributions. The Report is submitted under section 10 of the Overview and Scrutiny Procedure Rules in the Constitution. The Report contains a notice from the Overview and Scrutiny Management Board under section 9FE of the Local Government Act 2000 and the Executive is required by section 9FE(5) of that Act to comply with the requirements specified in the notice.

5. Resource Comments:

There are no significant financial implications arising from the recommendations in this report, i.e. for the Executive to review the report and make arrangements to respond to it. Financial implications may arise subject to the Executive Councillor subsequently accepting recommendations included in the report and the action plan that is developed. Any such implications will be dealt with, as required, through the normal budget setting process.

6. Consultation

a) Has Local Member Been Consulted?

Not Applicable

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

At a virtual meeting on 17 December 2020, the Overview and Scrutiny Management Board unanimously approved the draft final report as the final report on Developer Contributions for submitting to the Executive, subject to Recommendation 1 being amended as follows with the addition of the word 'negative' highlighted in bold text:-

That Lincolnshire County Council continue to oppose those aspects of the 'Planning for the future' White Paper which would limit the Council's ability to ensure that new developments had as little **negative** impact as possible on existing residents, communities, and businesses.

(This amendment has been included in the final report attached at Appendix 1.)

Members of the Board made the following points:

- The draft final report was an excellent piece of work on a complex subject involving different pieces of legislation. It was suggested that the report should be circulated to Lincolnshire's MPs for information.
- The report should be circulated to all district and parish councils for educational purposes.
- Recommendation 1 should be amended to say 'as little *negative* impact' to make it clearer the type of impact the Council sought to minimise on residents, communities and businesses.
- Lincolnshire County Council, along with the District Councils, should continue to robustly respond to the Government's communications on the 'Planning for the Future' White Paper, in particular to oppose those aspects which would impact negatively on Lincolnshire and outlining the reasons as to why. One major problem not addressed by the White Paper was 'land banking', where developers had received approval but had not commenced the development, or not had any immediate intention of doing so.
- One major concern was the erosion of local democracy and the limits on input into planning applications.
- The Council needed to establish clear systems to monitor developer contributions to ensure the money was received and the Council was not put at financial risk. There had been incidences where Section 106 agreements had been agreed as part of the approval, but the money was

not received or had been delayed due to cash flow issues with the developer.

- There was a need for real collaboration between all the councils in Lincolnshire to ensure that the same message was being given to developers and the process was fit for purpose.
- Planning applications were being approved by the local planning authorities; however some developments were not being built following the approval. Developers were getting round the planning regulations time limit for development by laying the foundations but then not completing any further development. This resulted in a significant blight on some local communities.
- The Council needed to have good working relationships with all developers and that messages inviting collaboration needed to be communicated to all developers, both large and small.
- The Council needed to be clear with residents and local communities about how it had spent money received from developer contributions and what benefits had been achieved.
- The actions to implement the recommendations, if agreed by the Executive, should be reviewed and updated when and where necessary to ensure they were still relevant and fit for purpose in the light of recent Government changes to the White Paper proposals and any additional changes to its proposals in the future.

d) Risks and Impact Analysis

No Applicable

7. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Developer Contributions Final Report

8. Background Papers

The background papers within Section 100D of the Local Government Act 1972 used in the preparation of this report are the Background items described in the Scrutiny Review Report.

This report was written by Tracy Johnson, Senior Scrutiny Officer, who can be contacted on 07552 253814 or Tracy.Johnson@lincolnshire.gov.uk .

DEVELOPER CONTRIBUTIONS

**Report by Scrutiny Panel A on behalf of the
Overview and Scrutiny Management Board**

December 2020

1. Executive Summary

Developer Contributions help to ensure that the impacts of development are appropriately mitigated and that the right infrastructure is in place to ensure that the needs of current and future communities are met.

The Scrutiny Panel recognised that there is an inconsistent approach to Developer Contributions across Lincolnshire with three District Councils having a Community Infrastructure Levy (CIL) schedule in place, but the rest still using Section 106 agreements. However, even where CIL is in place, additional Developer Contributions can still be sought to mitigate impact.

The Scrutiny Panel also recognised that a more joined up approach between the County Council and the District Councils would enable more collaborative partnership working to maximise the benefits from Developer Contributions to the residents of Lincolnshire. This will be even more crucial if the proposals for Developer Contributions in the 'Planning for the future' White Paper are introduced which could see the County receiving much lower levels of funding in future.

The Scrutiny Panel identified that the local authority is currently attracting a high level of Developer Contributions and is doing well at attracting this funding despite the private sector developers struggling with viability.

However, it is considered that income from Section 106 contributions could be improved if a 'One Council' centralised system for requesting, recording and monitoring is developed, rather than individual service areas considering requests in isolation.

This approach is essential to ensure that development is delivered without prejudicing important infrastructure and services, and Developer Contributions are used appropriately and effectively to achieve the maximum benefit in order to support the Corporate Plan's four ambitions for Lincolnshire which are:

1. High aspirations
2. The opportunity to enjoy life to the full
3. Thriving environments
4. Good-value council services

The recommendations within this report seek to support our key findings and some key strategic areas for improvement, which focus on:

- A need for clear criteria which allow for appropriate councillor engagement in the planning process.
- The development of a centralised system for Section 106 recording and monitoring for use across the Council rather than separate business units doing this on an individual basis.
- A need for appropriate lines of accountability to be able to effectively manage the Section 106 process going forward, particularly given the known and future growth in the County.

- A need to improve the strategic oversight of Section 106 agreements, improving visibility and transparency of Section 106 across the organisation.

Scrutiny Panel A has agreed the following recommendations for the Executive's consideration:

Recommendation 1

That Lincolnshire County Council continues to oppose those aspects of the 'Planning for the future' White Paper which will limit the Council's ability to ensure that new developments have as little negative impact as possible on existing residents, communities, and businesses.

Recommendation 2

That officers continue to work with developers, building a strong relationship so that developers continue to see Lincolnshire County Council as a partner with whom to engage and whose priorities should be adhered to, whatever the recommendations that are made through new legislation next year.

Recommendation 3

That the Council establishes a strategic approach to requesting, co-ordinating, and monitoring Developer Contributions. The Executive Councillor for Commercial and Environmental Management and the Executive Councillor for Economy and Place should work with the Head of Development Management in its establishment.

Recommendation 4

On those occasions where a scheme cannot viably fulfil all requests for Developer Contributions, then the Executive should decide which schemes should be prioritised using a published escalation process. The Executive Councillor for Commercial and Environmental Management and the Executive Councillor for Economy and Place should work with the Head of Development Management in its establishment.

Recommendation 5

An Infrastructure Funding Statement should be produced annually by the Executive in line with the requirements in the Community Infrastructure Levy Regulations 2019.

Recommendation 6

That the Executive approves the implementation of the Councillor Engagement Action Plan attached at Appendix A.

2. Terms of Reference

In September 2020, the Executive Councillor for Economy and Place, Councillor Colin Davie, with the backing of Group Leaders, asked Scrutiny Panel A to carry out an urgent short review of Developer Contributions to see how the County Council can maximise the benefits for local communities from such contributions.

Scrutiny Panel A consisted of Councillors Linda Wootten (Chairman), Matthew Fido (Vice Chairman), Mrs Alison Austin, Robin Renshaw, Stephen Roe and Mark Whittington.

The following key lines of enquiry for the scrutiny review were agreed by the Panel:

- (1) To examine how Developer Contributions could be utilised to maximise the benefits to the local community and how a list of potential local schemes to fund through Developer Contributions could be developed, while taking into consideration the National Planning Policy Framework, local circumstances and the views of the local member.
- (2) To examine the impact of the proposals in the Government's consultation paper 'Planning for the future' and what the proposals would mean for Lincolnshire.
- (3) To examine how to achieve better quality design and more sustainable communities in new developments through the use of Developer Contributions, recognising that the viability of new developments can be marginal to the development industry.

The Panel met three times in October and November 2020.

3. Background

Respective roles of local authorities in Lincolnshire

In a shire county with two tiers of local government, the statutory local planning authority for a particular area is the appropriate district council. In Lincolnshire, the seven District Councils, as Local Planning Authorities, determine planning applications for housing development.

The County Council is responsible for delivering vital infrastructure and services, such as highways and schools, which can face extra demand resulting from new development. Where this occurs the County Council seeks to ensure that developers make provision for appropriate infrastructure and services through the use of Developer Contributions.

What Are Developer Contributions?

Developer Contributions is a collective term used to refer to

- planning obligations, commonly referred to as 'Section 106' or 'S106' obligations after Section 106 of the Town and Country Planning Act 1990.
- the Community Infrastructure Levy (CIL).
- highways works secured under Section 278 of the Highways Act 1980.

Section 106 Planning Obligations

Section 106 of the **Town and Country Planning Act 1990** sets out the statutory provisions for planning obligations which may:

- restrict development or use of the land in any specified way;
- require specified operations or activities to be carried out in, on, under or over the land;
- require the land to be used in any specified way; or
- require a sum or sums to be paid to the authority on a specified date or dates or periodically.

Planning obligations under Section 106 of The Town and Country Planning Act 1990, commonly known as S106 agreements, are a mechanism which makes a development proposal acceptable in planning terms that would not otherwise be acceptable. Section 106 agreements can be used to secure financial and non-financial contributions (including affordable housing), or other works, to provide infrastructure to support development and mitigate the impact of development.

In 2015, limitations to Section 106 planning obligations came into force which has meant that planning obligations may only be requested when they meet three key tests:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

S106 agreements are designed to mitigate the specific impacts of that individual development while the Community Infrastructure Levy, as set out below, is a tool to deal with the cumulative impacts of development on infrastructure.

Community Infrastructure Levy (CIL)

A key element of the **Planning Act 2008** was the introduction of the Community Infrastructure Levy (CIL) to finance infrastructure.

The **Community Infrastructure Levy Regulations 2010** were introduced as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. The CIL Regulations came into force in April 2010 and a development may be liable for a charge under CIL, if a Local Planning Authority has chosen to set a charge in its area.

The Community Infrastructure Levy is a charge which can be levied by local authorities to raise funds for a wide range of infrastructure that is needed as a result of new development in their area. This can include transport, education and leisure facilities. The levy is charged on eligible development and is calculated using the size and type of development that will be created. The legal tests for when a planning obligation can be applied are set out in Regulation 122 of the CIL Regulations:

'A planning obligation may only constitute a reason for granting planning permission for a development if the obligation is:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.'

The levy only applies in areas where a local authority has consulted on, and approved, a charging schedule which sets out its levy rates and has published the schedule on its website. In Lincolnshire, City of Lincoln Council, North Kesteven District Council and West Lindsey District Council, implemented their own CIL schedules in 2018.

The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 came into force on 1 September 2019. Under these regulations, Infrastructure Funding Statements (IFS) will replace CIL Regulation 123 Lists as the mechanism through which projects are identified for CIL funding. The IFS will be published annually, and provide a summary of all financial and non-financial Developer Contributions relating to Section 106 and CIL within the area.

Section 278 of the Highways Act

A Section 278 (or s278) agreement is a section of the **Highways Act 1980** that allows developers to enter into a legal agreement with the County Council, as the Highway Authority, to make permanent alterations or improvements to a public highway, as part of a planning approval.

Where highway objections to proposals can be overcome by improvements to the existing highway, developers can enter a Section 278 agreement that requires them to pay for or undertake such works. These works could include minor highway realignments, roundabouts, traffic signals, right-turning lanes, and passing bays.

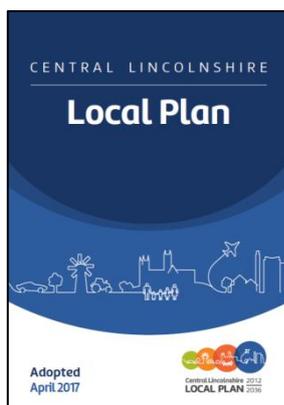
Development should only be prevented or refused on highway grounds if there would be an unacceptable impact in terms of safety or a severe impact in terms of capacity on the existing highway network.

Local Plans

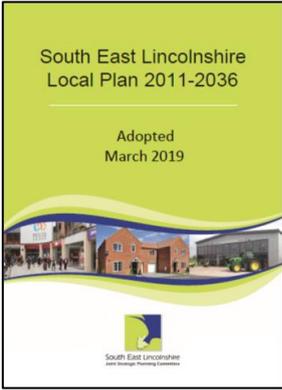
The **National Planning Policy Framework (NPPF)**, first published in 2012 and updated in 2019, sets out the government's planning policies for England and how these are expected to be applied. It provides the framework for producing Local Plans for housing and other development, which in turn provide the background against which applications for planning permission are decided.

A Local Plan sets out the vision for future development of a local area, drawn up by the Local Planning Authority. Local Plans are used to help decide on planning applications and other planning related decisions. In effect, they are the local guide to what can be built where, shaping infrastructure investments and determining the future pattern of development in the area.

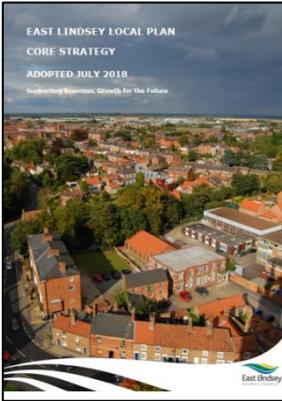
In Lincolnshire there are four Local Plans.



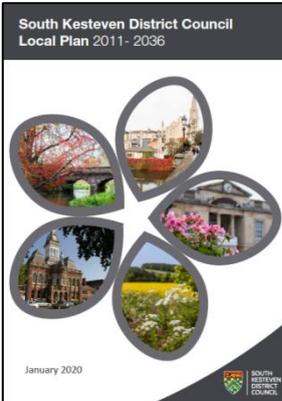
The **Central Lincolnshire Local Plan 2012-2036** was adopted by the Central Lincolnshire Joint Strategic Planning Committee in April 2017. Central Lincolnshire refers to the combined area covered by the City of Lincoln Council, North Kesteven District Council and West Lindsey District Council. Lincolnshire County Council is also a member of the Central Lincolnshire Joint Strategic Planning Committee.



The **South East Lincolnshire Local Plan 2011-2036** was adopted by the South East Lincolnshire Joint Strategic Planning Committee in March 2019. South East Lincolnshire refers to the combined areas covered by Boston Borough Council and South Holland District Council. Lincolnshire County Council is also a member of the South East Lincolnshire Joint Strategic Planning Committee.



The **East Lindsey Local Plan Core Strategy 2016 – 2031** was adopted by East Lindsey District Council in July 2018.



The **South Kesteven Local Plan 2011 – 2036** was adopted by South Kesteven District Council in January 2020.

4. Findings

'Planning for the future' White Paper

What are the main proposals?

In August 2020, the Government published the White Paper 'Planning for the Future' for consultation which proposed the most radical reform of the planning system in England since its creation in 1947. The proposals seek to streamline and modernise the planning process, improve outcomes on design and sustainability, reform Developer Contributions and ensure more land is available for development where it is needed.

The White Paper has been contentious, as it proposes to replace a locally based discretionary system of decision-making, via detailed planning applications considered by elected members on planning committees, with a more remote, standardised approach based on the zoning of areas conferring "permission in principle" without the need for planning applications. There is already a situation in which the National Planning Policy Framework dictates the tolerance levels of new developments, often permitting higher volumes of traffic than are acceptable to the local community. The White Paper risks exacerbating this situation.

The National Planning Policy Framework, not Local Plans, would be the place for setting development management policies. Local Plans would be substantially slimmed down with a shift towards map-based plans, allocating 'zones' for development or protection. Housing requirements would be set by the Government for each district and will be fixed numbers based on a national formula.

Another major announcement in 'Pillar 3: planning for infrastructure and connected places' is the abolition of Developer Contributions via Section 106 agreements and CIL. In their place would be a centralised, nationally fixed 'tariff', based on development value. The White Paper highlights several problems with the current system:

*"Planning obligations are broadly considered to be uncertain and opaque, as they are subject to negotiation and renegotiation based in part on the developer's assessment of viability. This creates uncertainty for communities about the level of affordable housing and infrastructure that development will bring. In turn, this brings cost, delay and inconsistency into the process. Over 80% of local authorities agree that such negotiations create delay, despite the planning application being acceptable in principle. This acts as a barrier to entry to the market, and major developers are better placed to devote the legal and valuation resource needed to negotiate successfully. This unevenness is a problem too for local authorities, with significant variation in skill and negotiation in negotiating viability across authorities."*¹

¹ <https://www.gov.uk/government/consultations/planning-for-the-future/planning-for-the-future#pillar-3-planning-for-infrastructure-and-connected-places>

The White Paper proposes that the existing parallel regimes for securing Developer Contributions are replaced with a new, consolidated 'Infrastructure Levy':

*"The Community Infrastructure Levy should be reformed to be charged as a fixed proportion of the development value above a threshold, with a mandatory nationally-set rate or rates and the current system of planning obligations abolished."*²

The Levy would be based upon a flat-rate, valued-based charge, set nationally, at either a single rate, or at area-specific rates. It would be charged on the final value of the development, be levied at the point of occupation, and include a value-based minimum threshold below which the levy is not charged, to prevent low viability development becoming unviable.

What will be the impact on Lincolnshire?

A number of key impacts from the proposals in the White Paper have been identified for Lincolnshire County Council (LCC):-

- No planning applications would be required for major developments in designated Growth Areas. There would therefore be less opportunity for the County Council to scrutinise planning applications and there would also be less public consultation and challenge.
- Under the proposal to introduce three zonal areas – growth, renewal and protection, there was no mention of how waste and minerals, which the County Council is responsible for, fitted into the process.
- Payments would be made at the end of the development. This would mean that any schemes which need to be completed before the development could commence, such as highways improvements, would have to be funded upfront by the County Council.
- There would be a cost to the County Council in producing digital mapping and a move away from paper processes. Design codes would be needed for each area and this would be expensive and labour intensive.
- There would be a need to train and educate planning officers on any new regulations and process changes.

With regards to the proposals for Developer Contributions, although simplifying a complicated system that does not generate enough funding for infrastructure and affordable housing would be a positive outcome, a consolidated system as described in the White Paper could possibly be worse for Lincolnshire.

The proposed system would yield relatively large sums in high-value areas of London and southern England and low amounts in low-value areas, or even zero in the lowest value areas since a threshold is proposed. The standardised national rate would be set high so that it would only be applicable for major developments.

As Lincolnshire is an area of relatively low land values, there is a risk that the county would receive much lower amounts of Developer Contributions under the new

² <https://www.gov.uk/government/consultations/planning-for-the-future/planning-for-the-future#pillar-3-planning-for-infrastructure-and-connected-places>

planning system, if any at all. This would lead to a reduction in the availability of affordable housing and money towards the provision of infrastructure and therefore, mitigations for developments. This in turn would negatively impact on Lincolnshire's highways, education and flood defences as there would be less funding available to the County Council to make the necessary improvements to support housing growth.

Another impact would be the loss of the CIL schedules which participating councils, such as City of Lincoln Council, West Lindsey District Council, and North Kesteven District Council, have had to prepare to identify shortcomings in physical and social infrastructure. There is no mention of whether Infrastructure Delivery Plans would be retained and these are essential for identifying and prioritising growth related needs when allocating funding.

If the new Infrastructure Levy goes forward, more clarity is required as to what level the new Infrastructure Levy is at, and what it should and should not provide.

The Panel felt that local democratic functions were being side-lined and eroded, leaving considerably less scope for public and Council consultation, involvement and challenge. The Panel agreed that as there would potentially be a significant reduction in money received from Developer Contributions in the future, it would be even more important to ensure any money received was well spent.

How can Lincolnshire County Council mitigate the impact of the White Paper?

The Panel considered some possible measures to mitigate and manage the impact of the White Paper. Two key areas were examined:

Promoting the Impact on Lincolnshire to Decision Makers / Shapers

Although the legislation required to convert the White Paper into law is set to be included in the Queen's Speech in April 2021, there is still time for local authorities, MPs and the Local Government Association to campaign to minimise the most serious impacts of the White Paper, namely:

- Local Democracy: reinstate the right of councillors and local communities to decide on the final detail of development either through planning applications or an alternative mechanism;
- Local Housing Need: continued use of the current method of calculation to prevent unrealistic increases in housing figures across the country; and
- Developer Contributions: continued use of Section 106 and Community Infrastructure Levy to ensure local authorities maintain local leverage in negotiating affordable housing and identifying infrastructure priorities.

Developers

The proposals in the White Paper tilt the playing field to the advantage of developers. If the White Paper is implemented, there will be few "sticks" with which to influence house builders, in particular given their rigid business model and requirements around cost minimisation/price maximisation. Any "carrots" would involve:

- Practical partnership, working on site assembly, land decontamination and sustainable design advice;
- Willingness of local authorities to play the role of a "critical friend", for example, in establishing minimum infrastructure requirements and environmental standards. This could include highlighting that the absence of accessible schools and GP surgeries will reduce marketability of new homes;
- Accelerating build out rates on development land with planning permission by refusing to renew lapsed permissions. This, however, would need government support;
- Promoting Modern Methods of Construction to speed up housing delivery by offering technical advice on location and design.

The Panel felt that the County Council should continue to work closely with District Councils on promoting views and concerns on the White Paper and in working with developers. The Panel emphasised that any planning system should be democratic and accountable and these aspects should be highlighted in any future lobbying. The Panel agreed that it was important that the right infrastructure was built at the right time and that delivering the infrastructure for sustainable development was crucial. The Panel also agreed that the County Council should build on and strengthen relationships with District Councils to ensure a clear message on infrastructure is provided to developers, and should work proactively with developers to enable both parties to have a clearer understanding of needs.

Consideration was also given by the Panel to the impact of Covid-19 on future housing needs. The Panel felt that, in future, digital infrastructure would become a very important aspect for homebuyers as would additional space within houses for a home office. If home working does become more prevalent, then the Panel felt that this would also impact on commuting patterns and change the use of the high street. Work is on-going within the Council to look at whether high tech, secure connected spaces could be made available to businesses within the County Council and District Councils offices and business centres which would not be used in future as a result of different working patterns post Covid-19. The Panel agreed that the Strategic Economic Plan, which sets out the Greater Lincolnshire Local Enterprise Partnership's economic priorities, would need to be reviewed in light of Covid-19 and that an assessment should be undertaken to reflect on the impact of Covid-19 on future housing requirements.

Recommendation 1

That Lincolnshire County Council continues to oppose those aspects of the 'Planning for the future' White Paper which will limit the Council's ability to ensure that new developments have as little negative impact as possible on existing residents, communities, and businesses.

Recommendation 2

That officers continue to work with developers, building a strong relationship so that developers continue to see Lincolnshire County Council as a partner with whom to engage and whose priorities should be adhered to, whatever the recommendations that are made through new legislation next year.

The Developer Contributions Process

How does the process currently work?

When the County Council, as a statutory consultee, is notified of a planning application for a new housing development, each individual department, such as Highways and Flood, Education, and Public Health, responds separately to the District Councils to request Developer Contributions to mitigate any impact identified in relation to their areas. There are no discussions between the individual departments before making the requests. Consequently, there is no corporate approach by the County Council when making requests for Developer Contributions to the District Councils.

How can the process be improved?

The Panel reviewed what other county councils do and considered other local authority reviews in relation to Developer Contributions. The main themes identified were better partnership working, centralised processes, clarity on the accountability for decisions, and processes for deciding where contributions were spent.

The Panel identified that there was a need for a more joined up approach across the Council's departments to enable one co-ordinated response for Developer Contributions to be sent to the District Councils. This would also enable all areas of the Council to benefit equally from Developer Contributions which in turn would benefit local communities more widely. In addition, the Panel identified that an escalation process needed to be developed when it is identified that a scheme is not able to fund all of the Section 106 requests made by the authority to decide which service area needs to be prioritised. The Panel also agreed that there is a need for greater clarity on responsibilities and accountability; a centralised system for monitoring across the County Council; and opportunities for councillor engagement, including regular scrutiny of Developer Contributions by the relevant scrutiny committee to ensure there was visibility and monitoring of the Developer Contributions Process by councillors.

The Panel also identified that a 'trigger point' for when a development would become unviable due to insufficient Developer Contributions for sustainable infrastructure should be included within the corporate escalation process to be developed.

Through having a more centralised system for Developer Contributions, the Panel concurred that this would enhance the benefits to local communities, lead to more sustainable developments, and enable collaborative working with the District Councils to present a common view for local communities to developers.

Recommendation 3

That the Council establishes a strategic approach to requesting, co-ordinating, and monitoring Developer Contributions. The Executive Councillor for Commercial and Environmental Management and the Executive Councillor for Economy and Place should work with the Head of Development Management in its establishment.

Recommendation 4

On those occasions where a scheme cannot viably fulfil all requests for Developer Contributions, then the Executive should decide which schemes should be prioritised using a published escalation process. The Executive Councillor for Commercial and Environmental Management and the Executive Councillor for Economy and Place should work with the Head of Development Management in its establishment.

How will the Council develop an Infrastructure Funding Statement?

Under the Community Infrastructure Levy Regulations 2019 which came into force in September 2019, the eight authorities in Lincolnshire will each need to prepare an annual Infrastructure Funding Statement. The Panel considered how the County Council's Infrastructure Funding Statement would be developed and what it would involve.

The Panel established that the Infrastructure Funding Statement will be a document which will include:

- A statement of infrastructure that *“will, or may be, wholly or partly funded by CIL”*;
- An annual CIL report on the receipts, allocations and expenditure of CIL; and
- An annual Section 106 report on the receipts, allocations and expenditure of S106. The December 2020 report will also include some unallocated Section 106 funding.

The Panel ascertained that requests for coordination with the District Councils have been made by officers at the County Council, and internal coordination is underway to produce the first Infrastructure Funding Statement.

The Infrastructure Funding Statement could be addressed very narrowly, or it could be used to send a clear statement about the Council's requirements from Developer Contributions. Whilst broadening the scope of the Infrastructure Funding Statement

would mean that it goes beyond the requirements of the Community Infrastructure Levy regulations, it would also mean that the Council would be able to exert leadership by setting out its clear requirements for funding. This would be particularly helpful for setting out the Council's position when the National Planning Policy Framework would allow a development to take place without mitigation but the Council felt that its impact on communities should be tackled.

Recommendation 5

An Infrastructure Funding Statement should be produced annually by the Executive in line with the requirements in the Community Infrastructure Levy Regulations 2019.

Councillor Engagement with the Developer Contributions Process

The Panel considered the role of county councillors in the Developer Contribution process and how much awareness and understanding there is about their role and that of the County Council.

How much do councillors know about Developer Contributions?

The Panel felt that there was an assumption that the average councillor, who was not on a Planning Committee, would have a limited knowledge of the planning processes and how they could respond to applications which were notified to them. However, the Panel concurred that knowledge about planning and Developer Contributions amongst councillors was wide ranging and that there were potentially a number of councillors who did not fully understand Developer Contributions and their role in the process.

The Panel agreed that it would be helpful for all county councillors to be offered training in relation to planning processes and Developer Contributions as they were all involved indirectly and it was important for councillors to be able to fulfil their duties in being able to advise constituents on the basics of how the planning system worked. This should be included as part of the councillors induction after the May local elections, and then ongoing councillor development sessions should be offered, based on the areas covered by the four Local Plans. In addition, a short guide to the planning system and Developer Contributions should be developed to accompany the training for county councillors.

How are councillors currently engaged?

There are approximately 6000 planning applications a year and county councillors receive an email notification about those applications in their division which are for consultation in respect of highway and Lead Local Flood Authority advice. Executive Councillors receive a further notification of developments in their areas of responsibility.

With regards to these email notifications, some of the Panel members highlighted that they were unsure about how they should respond to the planning applications relating to their areas, and whether they were expected to respond with an agreement or comments. The Panel recognised that there was a need for clarity regarding what was expected of councillors in relation to the email notifications received for planning applications, and to identify what the response rate was from councillors to see whether emails were the best method for communicating with councillors on these matters or whether, for example, the emails required simpler language or summaries of the main issues to aid councillor and public understanding.

The Panel agreed that further clarification needed to be included in these email notifications to advise county councillors what they needed to do on receipt of these emails. Under the proposed centralised approach, these email notifications could also become part of the corporate process and cover all areas of the Council rather than just flooding and highways issues.

As part of the new training offer for county councillors, the Panel also agreed that the ongoing training sessions, based on the areas covered by the four Local Plans, could provide an excellent opportunity for county councillors to identify potential schemes in their local communities to help create a list of future schemes for funding through Developer Contributions.

How can councillors be supported better?

Consideration was given to how much officers in the relevant service areas, such as planning, highways, education and public health, understood the role of the county councillor in the Developer Contribution process and what support they required to carry out their role.

The Panel felt that councillors would find it helpful if more information could be provided on how decisions had been reached, particularly those which were controversial in their local constituencies. In addition, the Panel felt that it would be helpful if potential problems with proposed developments could be better highlighted. This additional information would help councillors communicate from a more informed platform with their constituencies.

The Panel agreed that training for relevant officers should be provided to raise awareness of the role of county councillors and improve their understanding of the needs of councillors in being able to explain planning applications and Developer Contributions, and reasons for decisions, to their constituents, parish councillors and the general public.

How could the County Council's role in the process be made clearer to councillors, the public and Parish and District Councils?

The Panel considered how well Lincolnshire County Council's role in the planning process and in relation to Developer Contributions was understood by other councils and members of the public. Members of the Panel highlighted there had been times when they had attended meetings, such as Parish Council meetings, and there had been misunderstandings about what their role, and the role of the County Council, was in planning applications.

The Panel felt that a clear message needed to be sent out to other councils and residents as to what the County Council's role was in relation to Developer Contributions and the planning process. The message needs to make it clear that the County Council is not the Local Planning Authority, as that responsibility lies with the District Councils, but as a statutory consultee on planning applications.

The Panel agreed that a Communications Strategy should to be developed to provide a clear message to other local councils and members of the public and raise awareness of what the County Council's role is in the Developer Contributions process. The Communications Strategy should also inform the public of what the County Council and District Councils could claim for and clarify that any health infrastructure needs had to be requested by the NHS. The Panel agreed that the latter issue should be addressed by the Health Scrutiny Committee for Lincolnshire to try to encourage greater input from the NHS on Developer Contributions in future.

How will these concerns be addressed?

The Panel has raised a number of concerns about the level of councillor engagement at all levels, throughout the planning process. In summary, the following areas of improvement have been identified by the Panel:

- Training for county councillors as part of the induction process in respect of Developer Contributions along with ongoing training sessions;
- Improvements to the existing councillor notification process, which should include consultation on all areas of the Council, not just flooding and highways;
- Training for officers in the relevant service areas to raise awareness of the role of county councillors, and provide them with the knowledge and skills to answer queries from their constituents, parish councillors and the general public regarding Developer Contributions; and
- Improving awareness of the County Council's role in the Developer Contribution process to the public and parish/district councils.

The Panel has developed an action plan, attached at Appendix A, consisting of four objectives to address these concerns, with a number of proposed actions to improve awareness and understanding of the role of county councillors, and the County Council, in the Developer Contributions process. The proposed actions are summarised below:

- Democratic Services will arrange training for councillors as part of their induction after the May local elections and on-going Councillor Development

sessions to be arranged by Local Plan areas. A short guide for councillors on Developer Contributions including a flow chart of the planning process will also be provided.

- Councillors will receive emails with notification of any planning applications in their divisions. Emails will outline a process that is accessible to all councillors, explain what is expected of councillors in their response and cover all areas of the Council. Councillors will input into the development of a list of potential local schemes in their area to fund through Developer Contributions, via the on-going Councillor Development sessions to be arranged by Local Plan areas.
- The Development Management Team will develop a training package for relevant officers to raise awareness of the role of county councillors and provide them with the knowledge and skills to answer queries from parish councillors and the general public regarding Developer Contributions.
- The Communications Team will develop a Communications Strategy to provide podcasts and guidance to parish/town councils and district councils, and to place on the County Council's website and in libraries to provide clarity of the County Council's role in the Developer Contributions process.

Recommendation 6

That the Executive approves the implementation of the Councillor Engagement Action Plan attached at Appendix A.

5. Key Contributors

Scrutiny Panel A would like to thank the following contributors and officers for their advice and support during this scrutiny review:

- Councillor Colin Davie, Executive Councillor for Economy and Place
- Councillor Eddy Poll, Executive Councillor for Commercial and Environmental Management
- Justin Brown, Assistant Director – Growth
- Liz Burnley, County Manager for Development
- Brendan Gallagher, Principal Planning Officer – Infrastructure
- Nicholas Harrison, Democratic Services Officer
- Phil Hughes, Strategic Planning Manager
- Tracy Johnson, Senior Scrutiny Officer
- Warren Peppard, Head of Development Management
- Nigel West, Head of Democratic Services and Statutory Scrutiny Officer

Further Information

If you would like to find out more about this Scrutiny Review or Overview and Scrutiny at Lincolnshire County Council, please contact the Scrutiny Team at scrutiny@lincolnshire.gov.uk.

Objective	Action	Evidence	Lead	Completion date
<p>2. Improve the process for councillor notification of planning applications in their divisions and their engagement in identifying potential uses for Developer Contributions.</p>	<p>Councillors will receive emails with notification of any planning applications in their divisions. Emails will outline a process that is accessible to all councillors, explain what is expected of councillors in their response and cover all areas of the Council.</p> <p>Councillors will input into the development of a list of potential local schemes in their area to fund through Developer Contributions, via the on-going councillor development sessions to be arranged by Local Plan areas.</p>		Warren Peppard	

Objective	Action	Evidence	Lead	Completion date
<p>3. Training for officers in the relevant service areas to raise awareness of the role of councillors and provide them with the knowledge and skills to answer queries from their constituents, parish councillors and general public concerning Developer Contributions.</p>	<p>The Development Management Team will develop a training package for relevant officers to raise awareness of the role of county councillors and provide them with the knowledge and skills to answer queries from parish councillors and the general public regarding Developer Contributions.</p>		Warren Peppard	
<p>4. To improve awareness of the County Council's role in the Developer Contributions process to the public, and parish / district councils.</p>	<p>The Communications Team will develop a Communications Strategy to provide podcasts and guidance to parish/town councils and district councils, and to place on the County Council's website and in libraries to provide clarity of the County Council's role in the Developer Contributions process.</p>		Communications Team	